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The TOBACCO SITUATION

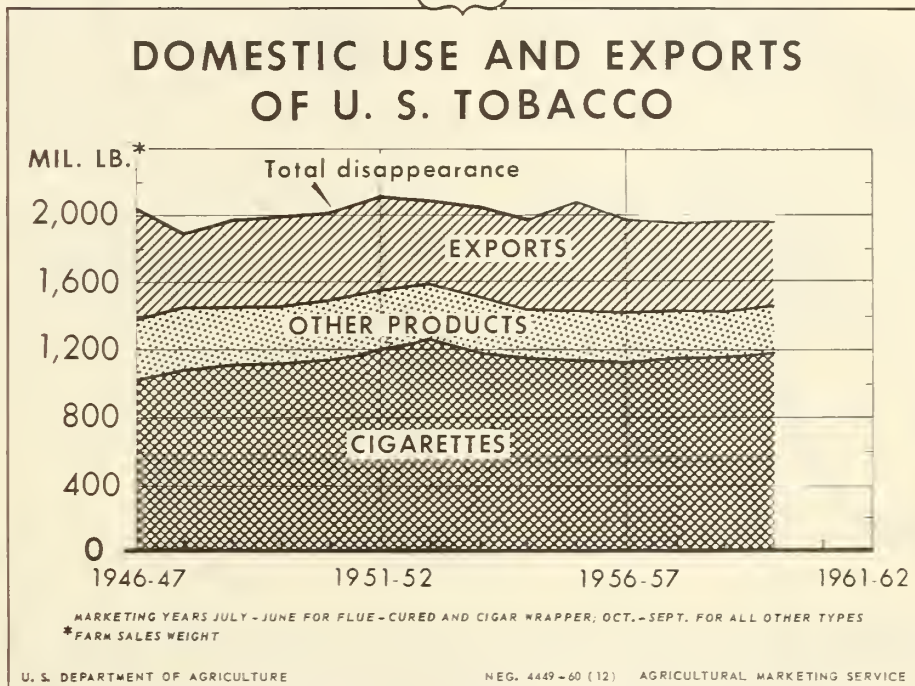
December 1960

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The 1959-60 total disappearance of U. S. tobaccotypes at 1,954 million pounds (farm-sales weight) was about the same as in 1958-59. Domestic use at about 1,450 million pounds was up about 30 million pounds from a year earlier and the largest in 6 years. Offsetting the gain in domestic use was a drop in exports to 504 million pounds, its lowest level in 7 years.

Domestic use increased due to the

larger cigarette output, which required about 1,180 million pounds in 1959-60; although output of cigars increased, they absorbed a little less U. S. tobacco than a year earlier. Also, less went into chewing tobacco, but smoking tobacco and snuff took about the same amount of leaf as a year earlier.

Domestic use and exports are both likely to show moderate gains in 1960-61 over 1959-60.

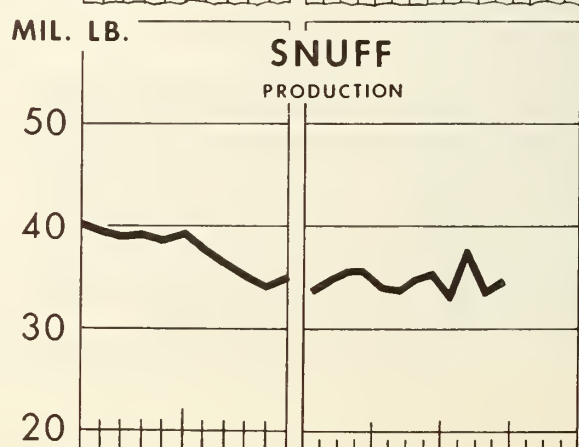
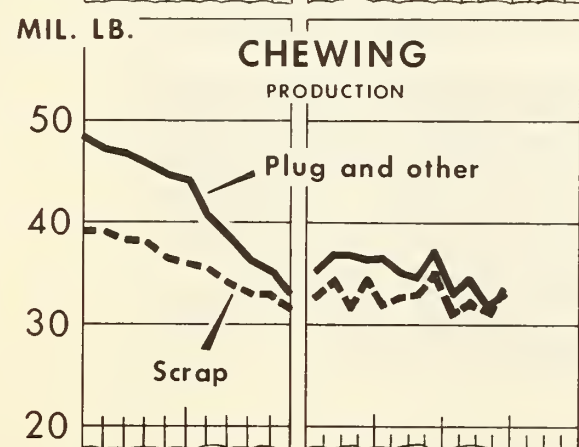
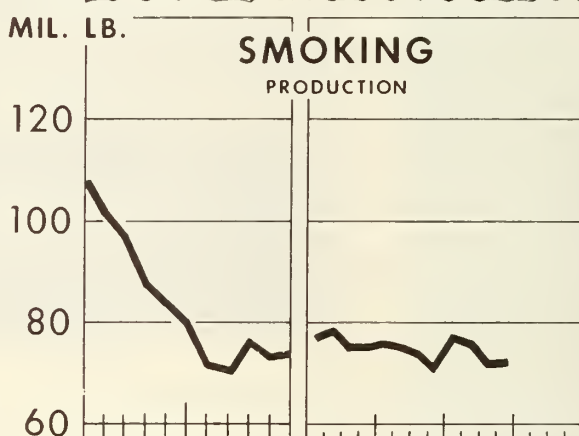
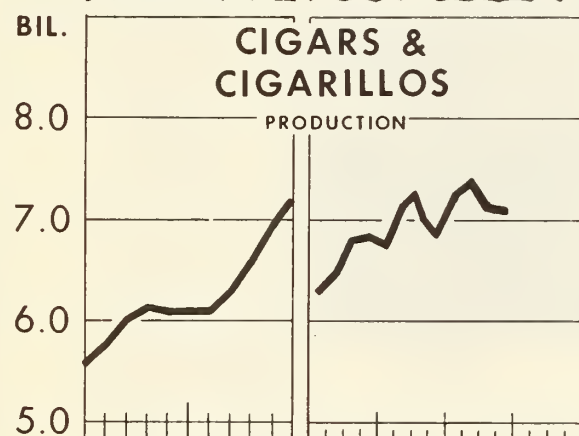
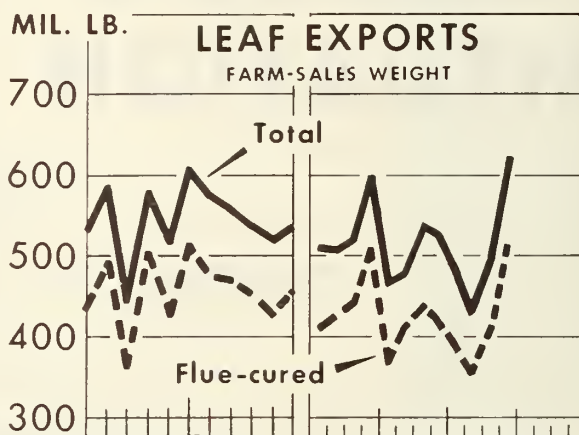
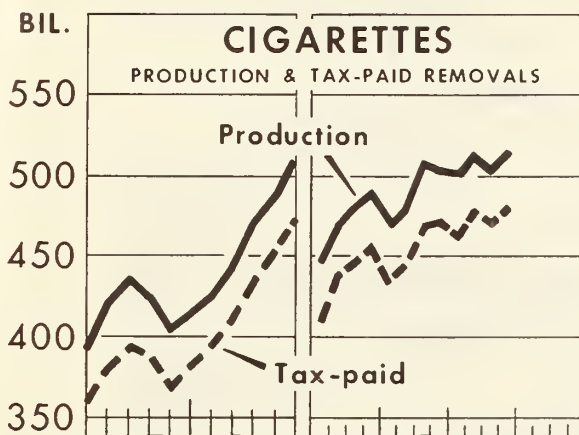
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AGRICULTURAL MARKETING SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



1950 '55 '60 1958 '59 '60 '61

ANNUAL

QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

1950 '55 '60 1958 '59 '60 '61

ANNUAL

QUARTERLY, SEASONALLY
ADJUSTED, AT ANNUAL RATES

LAST QUARTER SHOWN, PARTLY ESTIMATED

- - - - -
T H E T O B A C C O S I T U A T I O N
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Approved by the Outlook and Situation Board, December 20, 1960

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SUMMARY

Cigarette consumption in 1960 set a new record and was appreciably above that of 1959; cigar consumption (including cigarillos) rose moderately. Consumption of smoking tobacco (domestic and imported combined) and snuff was somewhat higher than a year earlier, but chewing tobacco somewhat lower. In 1961 consumption of cigarettes and cigars will probably increase further; smoking tobacco and snuff are expected to remain about the same, but chewing tobacco will likely continue its long term downtrend.

The exports of leaf tobacco in calendar year 1960 probably totaled a little higher than in 1959; in the fiscal year ending June 1961, tobacco exports seem likely to be at least 5 percent higher than in the preceding year.

For the fourth year in a row cigarette output reached a new high. The 1960 output totaled about 510 billion--up 4 percent from 1959. The Nation's smokers (including those overseas) smoked about 96 percent of the total and commercial exports accounted for most of the remaining 4 percent. Preliminary estimates indicate that use of the two major cigarette tobaccos--flue-cured and burley--increased significantly in 1960. This was in contrast to several other recent years when despite sizable gains in cigarette output, there were only comparatively small changes in domestic use (farm-sales weight) of these tobaccos.

Consumption of cigars and cigarillos in 1960 is estimated at close to 7.2 billion--2 to 3 percent above 1959 and the highest since 1923 when consumption was 7.4 billion. The principal increases in consumption in the last year or two have been in cigars retailing at 8 cents or less, which include several lines of established brands placed on the market in smaller sizes.

The 1960 output of smoking tobacco for pipes and "roll-your-own" cigarettes is estimated at $73\frac{3}{4}$ million pounds--slightly more than in 1959 but 3 percent below 1958. Imports of manufactured tobacco (mostly for pipe smoking) have risen sharply in the last 2 or 3 years and may be about 900,000 pounds this year--about 30 percent above 1959 and double the 1958 figure.

The 1960 output of chewing tobacco totaling about 65 million pounds, 5 percent less than in 1959, reached a new low. Output was not much more than half of what it was 15 years ago. Interrupting a fairly steady decline from 1955 to 1959 production of snuff in 1960 totaled around 35 million pounds, 2 percent higher than in 1959.

For the 1960 calendar year, exports of tobacco are estimated at near 475 million pounds declared weight (equivalent to about 535 million pounds, farm-sales weight)--a little above last year, but $2\frac{1}{2}$ percent below the 1950-59 average for U. S. tobacco exports. U. S. tobacco is meeting intensified competition from expanded foreign production and its movement into markets abroad is hampered by high duties and other barriers to imports.

The total supply of flue-cured for 1960-61 is nearly 2 percent above a year earlier. The record high yields per acre in 1960 mainly accounted for a crop nearly 16 percent larger than in 1959. The increase in production more than offset a decline in carryover. Marketings of the 1960 flue-cured crop have been completed and prices averaged 59.9 cents--about 2 cents above a year earlier and a record high. Quality of the crop as a whole was better than last year and above average.

The 1961 national flue-cured quota and acreage allotment were announced November 23, 1960. The allotments for practically all farms remain the same as in the last 4 years. The 1961 marketing quotas and acreage allotments for burley, Maryland, fire-cured, dark air-cured, sun-cured and the eligible kinds of cigar tobacco will be announced by February 1, 1961, after which growers of fire-cured types 21-23 and dark air-cured types 35-36 will vote in referendums on whether they favor quotas on their 1961, 1962 and 1963 crops. Approval by two-thirds of the growers voting is required if marketing quotas on these tobaccos are to be continued in effect. Growers of flue-cured, burley, and other kinds voted previously on the application of quotas for a 3-year period which included 1961.

Government price support is mandatory for the kinds of tobacco under marketing quotas. The levels of price support for 1961 crops will be based on the 1959 support level adjusted in proportion to the change between (1) the 1959 parity index and (2) the average of the parity indexes for 1958, 1959 and 1960. The parity index is the index of prices paid by farmers, including interest, taxes, and wage rates. Available data through November 1960 indicate that the 1961 tobacco price supports will be virtually the same as in 1960 and 1959.

The 1960-61 total supply of burley is 2 percent lower than for 1959-60. The 1960 crop is estimated at about 1 percent below 1959 and carryover is down 3 percent from a year ago. Domestic use of burley during 1959-60 showed the first substantial upturn in 7 years. Farmers had sold approximately 75 percent of the 1960 crop by December 19. Prices for gross sales (includes resales) averaged 65.3 cents per pound, 7 percent higher than in the comparable period of 1959 but (a little lower) than the record price of 1958. Quality has been reported as better than a year ago.

This year's crop of Maryland tobacco plus the carryover will provide a total supply for 1960-61 about 1 percent lower than for 1959-60. The crop is indicated to be 5 percent larger, but carryover is down a little.

The 1960-61 total supply of fire-cured tobacco--a new low--is about 2 percent below 1959-60. This year's production is about 9 percent smaller but the carryover is 1 percent larger than last year. The principal domestic outlet for these types is snuff.

The 1960-61 total supply of dark air-cured is down 3 percent while the supply of sun-cured held about even compared with 1959-60. Production of dark air-cured was slightly below last year and carryover declined. The increase in carryover of sun-cured about offset the decrease in production. The principal domestic outlet for these types is chewing tobacco.

The 1960-61 total supply of continental cigar filler is a little larger than for 1959-60. In Pennsylvania, the principal producing area, the crop is estimated to be $1\frac{1}{2}$ percent less than in 1959, when it was the largest in 8 years. The increase in carryover more than offset the decrease in harvest this year. There was comparatively little difference in the size of crop or carryover of Ohio filler compared with a year earlier.

The 1960-61 total supply of the combined Connecticut Valley cigar binder types is down a little from 1959-60. Production this year was 8 percent below last year, and carryover was down a little. The 1960-61 total supply of Wisconsin cigar binder types is 6 percent above 1959-60. Production in 1960 was the largest since 1950 and carryover was up a little. A substantial part of the Southern Wisconsin type is utilized in scrap chewing tobacco.

Manufactured sheet binders have replaced natural leaf binders on many brands of cigars in recent years. This has sharply cut requirements for leaf binders. Considerable work is being carried on to develop manufactured wrapper sheet for the outside wrappers on cigars. The successful development of wrapper sheet suitable for broad usage will result in substantial economies in cigar making and necessitate major adjustments in the areas producing shade-grown cigar wrapper tobacco.

The 1960-61 total supply of cigar wrapper types is 12 percent larger than for 1959-60 and a record high. Production in the Connecticut Valley and Georgia-Florida was up 10 and 17 percent respectively from 1959. Carryovers were also higher than a year ago.

TOBACCO PRODUCTS

Cigarettes

Cigarette consumption and output set new record highs in 1960 and are expected to go higher in 1961. The Nation's smokers (including those overseas) smoked 96 percent of the 510 billion produced and exports accounted for most of the other 4 percent. This is the fourth year in a row that production has set a new high. Until 1957 the record was 436 billion produced in 1952. There was a dip in consumption during 1953 and 1954, attributable partly to the publicity that linked cigarettes to health and partly to the age composition of the population. Since 1954 cigarette consumption has increased steadily year by year.

Total cigarette consumption (including overseas forces) in 1960 was about 487 billion, 4 percent above 1959 and 8 percent above 1958. Manufacturers have not advanced cigarette prices since mid-1957 but prices at retail have been raised in many States due to increases in State cigarette tax rates and imposition of cigarette taxes by additional States. Also, the average cigarette price paid by consumers has increased as the proportion of filter tip cigarettes rose, since filter tips are priced higher than non-filter tips. Fragmentary information indicates that the proportion of filter tip cigarettes increased in 1960 but at a considerably slower pace than in the past several years. Agricultural Marketing Service data for 1958 on average prices paid for cigarettes in independent and chain stores by States showed a range from 20.3 cents per pack in Virginia to 30.8 cents in Louisiana and a U. S. average of 24.4 cents. During 1960 the U. S. average has been close to 25.7 cents per pack--2.8 percent above 1959 and 5.3 percent above 1958. The Bureau of Labor Statistics data on city consumer prices for cigarettes show an average increase of over 3 percent from 1959 to 1960.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
Average					
1935-39	164.2	157.0	0.9	0.8	5.5
1940-44	256.9	223.5	26.5	1.0	5.8
1945	332.2	267.2	56.9	1.2	6.9
1946	350.0	321.7	5.0	1.6	24.1
1947	369.7	335.4	10.4	1.1	22.8
1948	386.8	348.5	12.8	1.7	25.2
1949	385.0	351.8	12.0	1.7	19.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960 3/	510.0	472.5	15.0	2.5	19.8

1/ Includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1953-57	1958	1959 <u>1/</u>	January-October		
				1959 <u>1/</u>	1960 <u>1/</u>	1960 as a percentage of 1959
	Millions	Millions	Millions	Millions	Millions	Percent
Gibraltar (Br.)	75	---	117	82	1,595	<u>3/</u>
Morocco	1,678	2,107	2,392	1,924	368	19
Venezuela	1,800	2,507	2,260	1,936	116	6
Hong Kong	920	1,128	1,365	1,134	1,285	113
France	888	1,305	1,202	1,052	1,187	113
Singapore <u>2/</u>	614	905	933	798	992	124
Belgium	690	1,030	890	730	843	115
Neth. Antilles	487	736	838	742	880	119
Kuwait	310	514	628	553	672	122
Netherlands	387	450	537	443	495	112
Sweden	721	581	535	402	513	128
Other countries	7,406	6,804	7,996	6,632	7,328	110
Total all countries:	15,901	18,067	19,576	16,346	16,274	100

1/ Preliminary.2/ Includes Federation of Malaya3/ Percentage increase exceeds 999.4/ Includes about 95 to 110 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Exports of cigarettes during 1960 are estimated at nearly 20 billion, slightly higher than in 1959. Most of the leading destinations took more than a year ago but there were sharp declines to Morocco and Venezuela--previously the top ranking outlets. In Venezuela local cigarette production has been expanded and imports of cigarettes curbed. In the past year, Gibraltar became the destination for a substantial volume of cigarette exports.

Cigarettes exported from the United States go to a large number of destinations around the world. They are not subject to Federal and State excise taxes. During January-October 1960 the average value of cigarettes exported was \$4.32 per 1,000--practically the same as in 1959 but 1.9 percent higher than in 1958.

Preliminary estimates indicate that usings of the two major U. S. cigarette tobaccos--flue-cured and burley--increased significantly in 1960. This was in contrast to several other recent years when despite sizable gains in cigarette output, there were only comparatively small changes in the domestic use (farm-sales weight) of these tobaccos.

Cigars and Cigarillos

U. S. smokers (including those overseas) in 1960 consumed an estimated 7.2 billion cigars and cigarillos, compared with nearly 7 billion in 1959. This was the highest since 1923 when 7.4 billion cigars were consumed. Cigar and cigarillo consumption is expected to go higher in 1961 and may exceed that of 1923.

However, there is a considerable difference in the average size of cigars smoked in the 1920's and the cigars and cigarillos smoked in 1960. Today's cigar (the average of cigars and cigarillos) is considerably smaller. In recent years, the larger proportion of smaller size cigars and the use of manufactured binders has reduced the utilization of cigar tobacco leaf (farm-sales weight) despite the rise in total number of units

Internal Revenue Service data for domestic and Puerto Rican factories indicate that the principal increases in cigars consumed have been in those retailing at 8 cents or less. During January-October 1960, cigars selling for 6.1-8.0 cents comprised 17 percent of the total compared with 10 percent in 1955-57; those selling at 6 cents or less comprised 46 percent compared with 43 percent in 1955-57. This latter group includes cigarillos and both price groups include lines of established brands that were brought out in smaller than traditional sizes in the past year or two.

Small cigars (cigarette-size) are not usually included and considered as part of the cigar and cigarillo total. The output of small cigars during January-October 1960 was only about one fourth as much as in 1959, when during the first half of that year production boomed. The boom was short-lived, but this year's output, estimated at about 155 million, will probably exceed every year of the past twenty except 1958 and 1959. In 1959 output of small cigars at 530 million was the highest since 1924.

Smoking Tobacco

The 1960 production of smoking tobacco for pipes and "roll-your-own" cigarettes probably totals near 73 3/4 million pounds--slightly more than in the preceding year but around 3 percent below 1958. Output at this level, however, would be about 5 percent above the low point reached in 1957. Smoking tobacco is a secondary outlet for the cigarette types, particularly burley.

Most of the smoking tobacco output is consumed domestically. In the first 10 months of 1960, taxable removals were about even with those of a year earlier. Indications are that more pipe tobacco but less tobacco for "roll-your-own" cigarettes may have been consumed. Through October, taxable cigarette papers, which comprise almost half of all cigarette papers, were about 5

Table 3.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Domestic factories			Bonded : manufac- turing : warehouse : Taxable : removals :	Shipments : from : Puerto : Rico : to the : United : States :	Imports for : consumption :		Exports :	Total : consump- tion : 2/
	Manufac- tured :	Removals :	Tax- : able :	Tax- : exempt :		Total : 1/	From : Cuba :		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:									
1935-39	5,075	5,060	13	66	29	192	3	8	5,352
1940-44	5,450	5,282	199	105	11	94	15	9	5,682
1945	5,275	4,714	469	82	97	60	60	2	5,480
1946	5,618	5,621	26	125	69	22	20	3	5,860
1947	5,488	5,460	41	124	8	12	9	19	5,626
1948	5,645	5,588	38	140	4	12	10	13	5,769
1949	5,453	5,399	46	142	4	11	10	3	5,599
1950	5,399	5,365	47	160	3/	12	11	2	5,582
1951	5,594	5,518	85	177	3/	14	13	3	5,791
1952	5,825	5,755	102	196	1	15	12	3	6,066
1953	5,915	5,820	90	205	9	17	13	6	6,135
1954	5,820	5,690	89	206	47	16	12	8	6,040
1955	5,776	5,688	82	227	83	20	15	6	6,094
1956	5,767	5,633	72	230	94	23	18	9	6,043
1957	5,903	5,757	79	238	122	26	20	9	6,213
1958	6,225	6,020	87	240	139	28	22	9	6,505
1959 4/	6,608	6,470	103	247	144	31	24	10	6,985
1960 5/	6,810	6,625	102	238	185	27	20	12	7,165

1/ Predominant share of imports prior to 1942 came from Phillippine Islands.

2/ Total removals from domestic factories plus cigars from bonded manufacturing warehouses, from Puerto Rico and imports minus exports.

3/ Less than a half million.

4/ Subject to revision and exports are estimated.

5/ Estimated.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 4--Cigars weighing not more than 3 pounds per thousand (approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
Average	Millions	Millions	Millions	Millions
1935-39	173.3	174.4	174.4	Neg.
1940-44	132.7	134.9	134.4	0.5
1945-49	88.7	89.0	89.0	Neg.
1950	68.9	69.2	69.1	0.1
1951	69.2	68.6	68.2	0.4
1952	67.1	67.4	66.9	0.5
1953	58.3	56.9	56.7	0.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	0.8
1956	63.6	59.5	58.9	0.6
1957	49.0	49.1	48.8	0.3
1958	170.0	160.0	159.7	0.3
1959	530.1	505.5	481.6	23.9
Jan.-Oct.				
1959	503.0	480.6	460.7	19.9
1960	128.6	129.4	113.8	15.6

Compiled from reports of Internal Revenue Service.

percent less than in the comparable period of 1959, when they were the largest in 7 years.

With incomes of most consumers continuing at comparatively high levels, little change in smoking tobacco output is expected in 1961.

Imports for consumption of manufactured tobacco (presumably almost entirely smoking tobacco), which have risen sharply since 1957, have continued to gain. During January-October 1960, these imports totaled 765,000 pounds--30 percent larger than a year earlier; for the whole year, they may total around 900,000 pounds. The principal sources of these imports are Netherlands and United Kingdom.

Exports of packaged smoking tobacco during January-October 1960 at 756,000 pounds were 36 percent higher than a year ago. Canada, accounting for 30 percent of the total, increased takings by 59 percent. Other sizable outlets were Denmark, Australia, United Kingdom, France, Iceland and Sweden while numerous foreign outlets took smaller quantities.

Table 5.--Output of manufactured tobacco in the United States
for specified periods

Periods	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8
1959	73.2	28.5	3.6	3.0	33.0	68.1	34.3
1960 ^{1/}	73.8	26.5	3.4	3.1	32.0	65.0	35.0

^{1/} Estimated.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

A substantial volume of manufactured bulk tobacco is reported in the Bureau of Census export statistics, though most of it is not covered in output statistics as reported by the Internal Revenue Service. This export category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. During January-October 1960, exports of bulk smoking tobacco were 18 percent smaller than the record shipments in the comparable period of the previous year. None was reported as going to Spain, leading outlet in 1959. Nearly a fifth of the recent period's

total went to Venezuela, which increased takings to 1.2 million pounds from only 20,000 pounds a year ago. Substantially more than in January-October 1959 also went to Panama, Mexico, Bolivia, Switzerland and Chile. On the other hand, smaller quantities than a year earlier were exported to Australia, Dominican Republic and Haiti.

Chewing Tobacco

The 1960 output of chewing tobacco probably totaled about 65 million pounds, a new low and 5 percent less than in 1959. Output was a little more than half of what it was 15 years ago. The downtrend in manufacture is likely to continue in 1961 and the years ahead. Chewing as a form of tobacco use no longer appears to fit in with present-day employment and living, although there are occupations where hazards of fire, explosion or dust make chewing or snuff the only practicable forms of tobacco consumption.

Scrap chewing--comprising about 49 percent of total chewing output in 1960--dropped about 1 million pounds or 3 percent. Plug chewing--accounting for 41 percent of the total--fell about 2 million pounds or 7 percent. Scrap chewing utilizes significant quantities of cigar binder tobacco, while plug chewing utilizes mainly the dark air-cured types and burley. Twist and fine-cut made up the remaining 10 percent of 1960 chewing tobacco production. Output of twist was moderately below last year's, but fine-cut was up a little.

Export markets usually take about $1\frac{1}{2}$ -2 percent of total chewing tobacco output. In the first 10 months of 1960, exports of chewing tobacco were 37 percent lower than in the corresponding period of 1959 and the smallest 10-month total since the wartime year 1943. Australia reduced takings by 26 percent, and none went to the Philippine Republic, which took a significant quantity in January-October 1959. Exports to Panama were virtually unchanged.

Snuff

Production of snuff in 1960 is estimated at near 35 million pounds--2 percent higher than in the preceding year. The increase resulted mostly from a spurt in the April-June quarter, when output jumped about 1 million pounds or 12 percent. Although this gain was partly offset by reductions in other quarters of the year, the net increase for 1960 as a whole of some 700,000 pounds is in marked contrast to steady declines in the 4 preceding years. Little change is expected in the 1961 output of snuff compared with that of this year.

Consumption of snuff during January-October 1960, as measured by taxable removals, was 4 percent higher than in the corresponding months of 1959. Although snuff has been referred to as a "refined" form of chewing tobacco, actually most snuff is consumed by "dipping," that is, by placing a small quantity between the lip and gum or in the cheek. Snuff users are found in greatest numbers in the southern, northcentral and northwestern parts of the country, and in occupations where smoking is hazardous or inconvenient.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of tobacco in the 1960 calendar year are estimated at near 475 million pounds, declared weight (equivalent to about 535 million pounds farm-sales weight)--a little above 1959. In the 1950-59 period, annual exports averaged 487 million pounds, ranging from a low of 396 million in 1952 to a high of 540 million in 1955.

Heaviest exports of flue-cured--the principal export class--are usually made in the months of August-December, after substantial quantities of the crop have been marketed. Flue-cured exports, which had been lagging behind 1959 levels, picked up sharply after tobacco from the 1960 crop became available in volume. The crop is 16 percent larger than last year's and above average in overall quality. In January-July, flue-cured exports were running 4 percent below a year earlier. By October, however, the 10-month total was about 5 percent above shipments in the like 1959 period.

Burley exports in January-October 1960 were 5 percent larger than in the corresponding period of 1959, but those of Maryland declined by more than a fifth. Exports of Virginia fire-cured were up by 5 percent; Kentucky-Tennessee fire-cured fell about an eighth. Shipments of Green River held even, while exports of One Sucker were equal to only about a sixth of those in January-October 1959. A sharp drop also occurred in cigar binder, mostly attributable to a sizable decline in exports of Wisconsin binder from the relatively high level of a year ago. Of the Connecticut Valley binder types, less Broadleaf but more Havana Seed were exported than in the first 10 months of 1959. Exports of shade-grown cigar wrapper were down almost a fifth; the Connecticut Valley type declined only moderately, but the Georgia-Florida type dropped 39 percent.

In general, the foreign economic outlook continues to favor U. S. tobacco exports. Economic activity abroad--particularly in West Europe, destination for around three-fourths of total U. S. tobacco exports--remains at high levels. Gold and dollar reserves of most of the important markets for U. S. tobacco are comparatively large. During the first 10 months of 1960, general imports into the U. S.--chief source of dollars to foreigners who wish to buy from this country--on a seasonally adjusted basis were running only 1 percent below the previous year's record high rate. Cigarette consumption abroad is increasing; the 1959 output in non-Soviet-bloc countries outside the U. S. is estimated at 4 percent higher than in the preceding year and nearly a third higher than the 1951-55 average. But major offsetting factors are the growing competition in world markets from expanded production abroad, and the hampering influence of trade barriers of various forms in many foreign countries.

In the year ending June 30, 1961, total exports of tobacco are expected to be at least 5 percent larger than in 1958-59. Favoring an increase are this year's larger flue-cured crop of above-average quality and lower stocks of tobacco in some importing countries.

1/ Quantities of tobacco in this section are stated in terms of export weight which is less than the equivalent farm-sales weight.

Table 6.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)						
	Average 1948-52	Average 1953-57	1958	1959 1/	January-October		
					1959 1/	1960 1/	1960 as percentage of 1959
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	371.9	422.7	398.0	373.7	287.0	301.6	105
Burley	29.7	27.2	28.8	31.9	23.5	24.6	105
Maryland	7.2	10.2	12.1	14.4	11.3	8.8	78
Va. fire-cured and sun-cured	5.5	4.4	4.6	4.9	3.9	4.1	105
Ky. and Tenn. fire-cured	24.7	21.6	19.7	17.8	14.0	12.3	88
Green River	1.9	1.7	1.2	.8	.8	.8	100
One Sucker	3.0	1.7	.9	2.4	1.9	.3	16
Black Fat, etc.	4.3	4.6	4.9	4.9	3.8	3.6	95
Cigar wrapper	3.0	4.0	4.7	4.0	3.6	2.9	81
Cigar binder	4.1	2.7	2.0	3.2	2.8	1.7	61
Cigar filler	2.8	.4	.6	1.0	1.0	.5	50
Perique	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	6.0	3.5	4.2	6.5	4.6	4.7	102
Total	464.2	504.8	481.8	465.6	358.3	366.0	102
Country of destination							
United Kingdom	149.1	167.3	160.4	139.7	113.4	140.4	124
France	8.3	7.8	8.1	5.8	4.7	3.7	79
Belgium	21.9	17.8	14.5	20.1	13.7	13.4	98
Netherlands	30.0	34.4	22.8	24.9	20.6	22.3	108
Germany, W. and E.	64.5	62.7	81.7	63.6	54.1	59.3	110
Portugal	8.3	7.0	7.1	6.4	5.6	6.2	111
Denmark	11.0	11.9	11.9	15.0	10.0	9.3	93
Ireland	17.8	12.6	13.5	10.0	6.7	12.6	188
Switzerland	12.7	12.5	10.4	11.2	7.9	8.1	103
Norway	8.1	7.7	7.5	6.9	5.6	6.9	123
Sweden	11.7	12.1	11.6	10.3	6.3	12.4	197
Italy	2.9	5.2	7.2	10.4	3.7	5.0	135
Thailand	4.2	8.4	9.2	11.8	9.4	4.2	45
Australia	20.2	29.6	26.3	20.4	16.2	12.0	74
India	6.0	1.9	3.0	2.0	2.0	.6	30
Pakistan	.9	2.4	.3	.8	.7	1.2	171
New Zealand	5.8	6.7	6.3	7.3	5.9	4.0	68
Philippine Rep.	13.5	12.9	5.0	4.1	3.0	1.0	33
Indonesia	8.6	12.5	1.7	2.4	2.0	.2	10
Egypt	3.8	6.9	8.4	16.2	2.0	2.1	105
Japan	1.9	8.6	11.2	11.6	4.2	5.4	127
Other countries	53.0	55.9	53.7	64.7	60.6	35.7	59
Total	464.2	504.8	481.8	465.6	358.3	366.0	102

1/ Preliminary.

U. S. flue-cured meets competition in world markets from tobacco produced in the Federation of Rhodesia and Nyasaland, Canada and India, all of which produce and export substantial quantities of flue-cured. Turkey and Greece are important producers and exporters of oriental tobacco--also a light cigarette tobacco.

In Rhodesia-Nyasaland, the 1960 flue-cured crop totaled 222 million pounds--14 percent above 1959 and the largest on record. In the main producing area of Rhodesia, acreage was down 4 percent but the average yield per acre at 1,053 pounds jumped nearly 20 percent to a record high. General quality of the crop was lower than last year. Sales on the Salisbury auctions, which extended from April 4 to October 10, totaled 218 million pounds, averaging the equivalent of 39.9 U. S. cents per pound. Last year, 191 million pounds were sold, averaging the equivalent of 40.2 U. S. cents. Purchases by United Kingdom buyers from 1960 offerings totaled 110 million pounds, compared with 96 million in 1959. Australia bought about the same quantity as last year--approximately 11 million pounds.

During the first 9 months of 1960, the Federation exported 154 million pounds of tobacco--about a tenth more than a year ago. Flue-cured made up nearly 85 percent of the total, and dark fire-cured, most of the remainder. The United Kingdom accounted for almost three-fifths of this year's total shipments, taking 15 percent more than in January-September 1959. Other Commonwealth destinations together accounted for approximately a sixth of the total, with combined takings up 5 percent. About 32 million pounds of tobacco (mostly flue-cured)--around a fifth of the total--went to West European markets. Chief countries of destination in West Europe were Germany, Netherlands, Belgium, Denmark and Norway. All except Netherlands took more than in the comparable months of 1959; exports to Netherlands were slightly less than a year earlier.

Canada's 1960 flue-cured crop is estimated at 191 million pounds--25 percent larger than the 1959 outturn and the biggest on record. In Ontario, where most of Canada's flue-cured is grown, acreage was a tenth higher than last year, and favorable weather conditions contributed to an increase of 14 percent in the average yield per acre. Marketing of the 1960 crop began in mid-November and through December 14, 57 million pounds had been sold at an average price of 54.8 Canadian cents per pound. Growers who satisfy the Ontario Flue-cured Tobacco Growers' Marketing Board that no maleic hydrazide or similar chemical was used on their crops can so label their leaf before sale. Canadian exports of unmanufactured tobacco (mostly flue-cured) in the first 9 months of 1960 were nearly 34½ million pounds--5 percent less than in the corresponding period a year ago. The United Kingdom accounted for 84 percent of the total and took 2 percent less than in January-September 1959. Less than a year earlier went to West Germany, which received a significant quantity of Canadian flue-cured in 1959, but a little more went to Belgium.

The estimated 1960 flue-cured crop in India is 139 million pounds--a little more than last year. Most flue-cured is grown in the State of Andhra Pradesh. Ranking markets for the 67 million pounds of Indian flue-cured exported in 1959 were the United Kingdom (which took about half), Soviet Union, Ireland, Netherlands, Belgium, Hong Kong, French West Africa and West Germany.

Table 7.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <u>1/</u>			Gross clearances from bond <u>3/</u>			Exports of manu- factured tobacco	Re-exports of unmanu- factured tobacco
	From :			Non-Prefer- ential <u>2/</u> : Total :				
	From :	Com- :	Stocks	Non-	Prefer-	Total		
	U. S. :	mon :	Dec. 31	prefer-	ential	Total		
	<u>2/</u> :	coun- :		ential	<u>2/</u> :			
	<u>2/</u> :	tries :		<u>2/</u> :				
	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>
Average								
1946	366	62	433	383	261	61	322	7
1947	201	82	296	384	235	57	292	1
1948	172	97	281	390	204	67	271	1
1949	154	119	302	419	190	81	271	2
1950	144	146	306	445	180	91	271	4
1951	212	131	355	498	183	104	287	7
1952	67	143	224	430	172	108	280	12
1953	174	127	316	452	167	116	283	9
1954	160	139	312	468	168	122	290	4
1955	179	149	344	507	173	125	298	4
1956	160	146	318	523	173	127	300	3
1957	168	141	319	532	170	135	305	3
1958	164	145	316	534	172	138	310	2
1959 <u>4/</u>	140	157	301	515	171	144	315	2
Jan.-Oct.								
1956	118	116	243	<u>5/471</u>	<u>6/126</u>	<u>6/92</u>	<u>6/218</u>	2
1957	130	128	265	<u>5/495</u>	<u>6/126</u>	<u>6/101</u>	<u>6/227</u>	2
1958	115	131	253	<u>5/495</u>	<u>6/130</u>	<u>6/104</u>	<u>6/234</u>	1
1959	99	141	242	<u>5/480</u>	<u>6/128</u>	<u>6/106</u>	<u>6/234</u>	2
1960 <u>4/</u>	129	159	292	<u>5/475</u>	<u>6/125</u>	<u>6/114</u>	<u>6/239</u>	4

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals from manufacturers for home use and export.

4/ Subject to revision.

5/ September 30.

6/ January-September.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

In Turkey, the 1960 production of tobacco is currently estimated at a record 301 million pounds--14 percent above 1959. Quality of the crop reportedly is better than that of last year. During January-August 1960, Turkey's tobacco exports, 80 million pounds, were a fourth less than in the corresponding period of 1959. The United States, accounting for well over half of the total, reduced takings by 8 percent. West European destinations also taking less included West Germany, France, Austria, Switzerland, and Netherlands. More Turkish leaf than in January-August 1959 went to Italy, Finland, Belgium and Sweden.

Greek production of oriental tobacco in 1960 is estimated at 138 million pounds--over a fifth below 1959 and the smallest in 7 years. Acreage in 1960 fell below the Government's goal, mainly because of unfavorable weather during the planting season. The policy in recent years has been to hold down acreage, but for 1961, the Government has announced plans to increase the area planted to tobacco by around 14 percent more than the reduced 1960 level. Exports in January-September 1960 at 52 million pounds were 6 percent above those a year ago. Shipments to the United States rose 30 percent. More than in the like 1959 period also went to Soviet Union, Czechoslovakia, Austria, Switzerland and Egypt. On the other hand, West Germany--usually the ranking market for Greek leaf--cut takings by nearly two-fifths, and less than a year earlier also was exported to France, Italy, Belgium, Finland, Sweden and Portugal.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

U. S. imports of foreign grown tobacco for consumption during the first 10 months of 1960 were at a record rate, exceeding the January-October 1959 total by 5 percent. The increase was mainly due to larger imports of cigarette leaf and scrap (short filler) for cigars.

Although total arrivals of cigarette leaf from abroad (direct entries plus that placed in bond) were 10 percent below a year earlier, imports of cigarette leaf for consumption (direct entries plus withdrawals from bond) rose 6 percent. About 7 percent more Turkish leaf and about the same quantity of Greek leaf entered consumption channels in January-October 1960 compared with the same months a year earlier. Stocks of foreign grown cigarette and smoking tobacco in this country on October 1 totaled 209½ million pounds -- little changed from holdings on the same date in 1959 and 1958 but substantially above the 1953-57 average of 166 million.

The major portion of noncigarette tobacco imports consists of cigar filler and scrap, which are principally furnished by Cuba. Imports of stemmed filler from Cuba declined by about a fifth, and those of scrap, by nearly a tenth; imports of unstemmed filler rose by a tenth. On October 1, stocks of Cuban tobacco at nearly 44 million pounds were nearly 50 percent larger than a year ago and record high for that date. Substantial quantities of tobacco previously held in Cuba for U. S. account were moved to the mainland for storage.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 8.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)							
Classification and country of origin	Average:	Average:	1958	1959	January-October		
	1948-52:	1953-57:		1/	1959	1960	1960 as a percentage of 1959
	1/	1/			1/	1/	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	49.3	56.4	65.1	69.6	58.9	62.8	107
Greece	10.9	18.0	28.5	31.6	26.8	26.9	100
Syria	4.1	2.4	1.1	.9	.8	.6	75
Italy	.5	1.6	1.7	1.8	1.5	1.7	113
Cyprus	.1	.4	1.3	1.0	.7	1.0	143
Yugoslavia	.5	2.7	4.0	4.6	3.8	4.5	118
Total 2/	70.6	84.0	104.6	111.9	94.7	100.2	106
Cigar leaf (filler)							
Cuba:							
Stemmed	10.9	9.1	9.0	9.1	7.8	6.1	78
Unstemmed	4.0	4.2	3.1	3.7	3.1	3.4	110
Philippines, Rep.:							
Stemmed	.5	.2	.3	.2	.2	.5	250
Unstemmed	.2	.1	.1	3/	3/	0	---
Total 2/	15.6	13.7	12.7	13.1	11.1	10.3	93
Scrap:							
Cuba	5.6	10.3	13.8	16.1	13.3	12.1	91
Philippines, Rep.	.4	3.6	5.5	7.4	6.6	8.3	126
Total 2/	6.0	13.9	19.5	24.7	20.7	23.1	112
Cigar wrapper(unst.):							
Indonesia	.3	.3	.1	3/	3/	3/	---
Cuba	.8	.5	.5	.5	.5	.5	100
Total 2/	1.1	.8	.6	.6	.5	.5	100
Total imports 4/	94.0	113.6	138.5	151.7	128.4	135.0	105

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed except in 1948-52, when sizable amounts of cigarette leaf entered from U.S.S.R., Bulgaria and Southern Rhodesia. 3/ Less than 50,000 pounds. 4/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Imports of Philippine scrap in January-October increased about a fourth over those in the comparable period of 1959. October 1, 1960 stocks amounted to 12 million pounds, compared with about $9\frac{1}{4}$ million a year ago and were the most ever held on that date.

About as much cigar wrapper was imported from Cuba as a year ago, but imports of wrapper from Indonesia were negligible. Stocks of Sumatra and Java tobacco in the U. S. were 514,000 pounds, up considerably from the 23,000 pounds reported held on October 1, 1959. Nearly all of October 1, 1960 stocks of Sumatra and Java tobacco consisted of fillers and scrap.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

1961 Acreage Allotment

On November 23, the acreage allotment for 1961 flue-cured was set by the U. S. Department of Agriculture at 715,817 acres. For the overwhelming majority of farms, the 1961 allotment will be the same as in 1960. The total allotment available includes a small reserve for establishing allotments for new farms, correcting errors, and for adjusting inequities. It was also announced that the discount variety program will continue in effect on the 1961 crop.

The application of quotas to the 1959, 1960 and 1961 crops was approved by growers in a referendum held in December 1958. Flue-cured growers will vote on whether to continue quotas on their 1962, 1963 and 1964 crops before the 1962 crop is planted.

Prices and Price Supports

The 1961 flue-cured crop will receive Government price support as required by law when a marketing quota is in effect. The level of price support for 1961 flue-cured will be based on the 1959 support level adjusted in proportion to the change between (1) the 1959 parity index and (2) the average of the parity indexes for 1958, 1959 and 1960. The parity index is the index of prices paid by farmers, including interest, taxes and wage rates. Available data through November 1960 indicate that the 1961 flue-cured price support level will be virtually the same as the $55\frac{1}{2}$ cents per pound level in 1960 and 1959.

Marketings of the 1960 crop were completed by December 14. The season average price for gross sales (which include resales) was 59.9 cents--7 percent above 1959 and exceeded any previous year. In three of the five Belts average prices set new record highs. The total volume marketed in all belts combined was the largest in 4 years, though less than in each year 1950 through 1956.

In the Georgia-Florida Belt markets (final sales, September 2), the gross volume was 13 percent greater than in 1959, but the average price was 2 percent below the record average of 1959.

Table 9.--Flue-cured tobacco: Average price per pound and percentage comparisons by belt, 1947-60

Marketing Season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. Belt type 12	Border Belt type 13	Ga.-Fla. Belt type 14	All Belts
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
1947	38.1	42.2	43.0	41.9	37.8	41.1
1948	49.2	50.1	49.3	50.5	47.2	49.4
1949	45.5	47.7	48.8	48.9	40.1	46.9
1950	53.4	56.2	56.5	55.4	48.1	54.6
1951	50.4	53.8	55.1	51.9	46.3	52.2
1952	48.4	49.4	50.5	51.9	49.2	50.1
1953	42.0	47.0	57.1	56.7	51.1	52.5
1954	52.0	52.3	54.7	51.3	46.5	52.1
1955	53.8	52.4	52.3	53.7	46.5	52.2
1956	49.9	51.9	51.5	53.2	48.0	51.1
1957	52.3	53.1	54.3	59.1	55.9	55.0
1958	57.2	57.1	57.1	59.6	57.1	57.7
1959	53.2	56.4	57.9	62.1	57.8	57.7
1960 1/	58.5	61.0	60.7	61.4	56.5	59.9
Price for each type as percentage of price for all types combined						
	Percent	Percent	Percent	Percent	Percent	Percent
1947	92.7	102.7	104.6	101.9	92.0	100.0
1948	99.6	101.4	99.8	102.2	95.5	100.0
1949	97.0	101.7	104.1	104.3	85.5	100.0
1950	97.8	102.9	103.5	101.5	88.1	100.0
1951	96.6	103.1	105.6	99.4	88.7	100.0
1952	96.6	98.6	100.8	103.6	98.2	100.0
1953	80.0	89.5	108.8	108.0	97.3	100.0
1954	99.8	100.4	105.0	98.3	89.3	100.0
1955	103.1	100.4	100.2	102.9	89.1	100.0
1956	97.7	101.6	100.8	104.1	93.9	100.0
1957	95.1	96.4	98.7	107.5	101.6	100.0
1958	99.1	99.0	99.0	103.1	99.1	100.0
1959	92.1	97.7	100.3	107.6	100.1	100.0
1960 1/	97.7	101.8	101.3	102.5	94.3	100.0

1/ Preliminary.

Table 10.--Flue-cured tobacco: Volume of gross sales (includes resales) and percentage distribution by belt, 1947-60

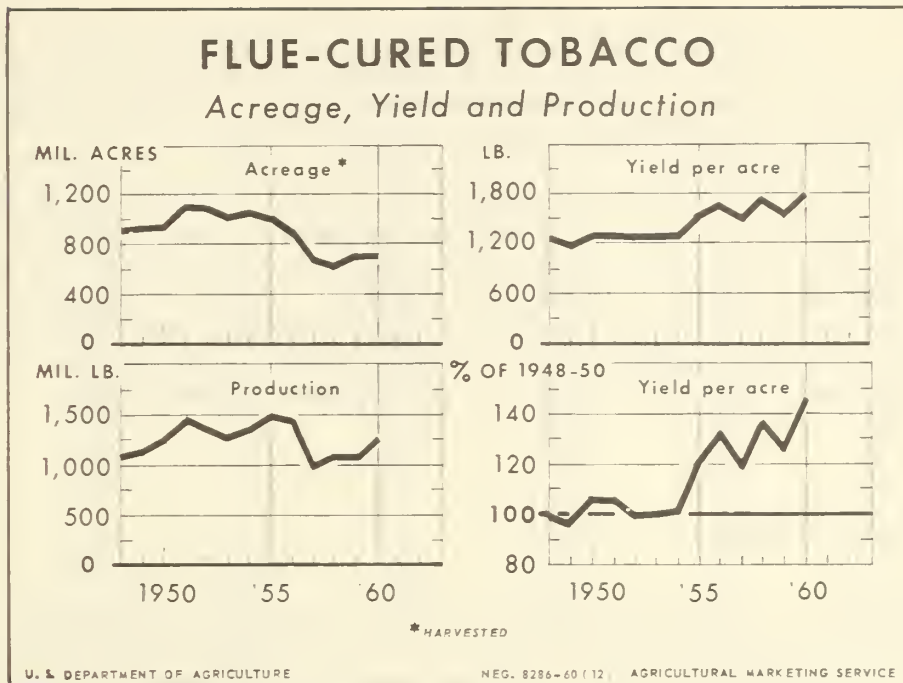
Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. Belt type 12	Border Belt type 13	Ga.-Fla. Belt type 14	All belts
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1947	278	176	483	299	171	1,407
1948	256	157	392	258	134	1,197
1949	243	137	406	283	155	1,224
1950	315	171	448	302	142	1,378
1951	312	187	527	357	192	1,575
1952	328	177	488	333	180	1,506
1953	254	138	480	348	192	1,412
1954	288	161	522	309	188	1,468
1955	311	170	528	371	213	1,593
1956	333	179	508	333	183	1,536
1957	235	124	353	254	120	1,087
1958	250	137	402	263	134	1,186
1959	250	136	359	279	161	1,185
1960 ^{1/}	262	170	443	310	182	1,367
Percentage of total						
	Percent	Percent	Percent	Percent	Percent	Percent
1947	19.8	12.5	34.3	21.2	12.2	100.0
1948	21.4	13.1	32.7	21.6	11.2	100.0
1949	19.8	11.2	33.2	23.1	12.7	100.0
1950	22.9	12.4	32.5	21.9	10.3	100.0
1951	19.8	11.9	33.4	22.7	12.2	100.0
1952	21.8	11.8	32.4	22.1	11.9	100.0
1953	18.0	9.8	34.0	24.6	13.6	100.0
1954	19.6	11.0	35.6	21.0	12.8	100.0
1955	19.5	10.7	33.1	23.3	13.4	100.0
1956	21.7	11.6	33.1	21.7	11.9	100.0
1957	21.6	11.4	32.5	23.4	11.1	100.0
1958	21.1	11.5	33.9	22.2	11.3	100.0
1959	21.1	11.5	30.3	23.5	13.6	100.0
1960	19.2	12.4	32.4	22.7	13.3	100.0

^{1/} Preliminary.

Table 11.--Flue-cured tobacco: Receipts under government loan and percentage distribution by belt, 1947-60

Marketing Season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. Belt type 12	Border Belt type 13	Ga.-Fla. Belt type 14	All Belts
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1947	90.6	27.8	45.9	42.8	25.2	232.3
1948	47.0	15.8	21.3	17.3	4.7	106.1
1949	30.8	8.3	17.3	26.7	20.4	103.5
1950	35.6	12.3	17.9	6.7	5.1	77.6
1951	44.9	15.9	28.5	35.8	17.1	142.2
1952	61.1	19.0	55.4	23.0	6.5	165.0
1953	96.8	22.6	15.6	10.8	5.6	151.4
1954	40.7	15.8	38.8	26.6	8.3	130.2
1955	30.7	23.0	124.9	89.1	31.2	298.9
1956	64.8	50.6	128.1	62.8	13.6	319.9
1957	58.2	18.2	21.4	8.9	1.1	107.8
1958	41.2	15.7	50.0	35.5	2.4	144.8
1959	27.5	7.2	7.5	11.3	1.8	55.3
1960 ^{1/}	16.2	5.3	19.2	8.8	2.3	51.9
Percentage distribution						
	Percent	Percent	Percent	Percent	Percent	Percent
1947	39.0	12.0	19.8	18.4	10.8	100.0
1948	44.3	14.9	20.1	16.3	4.4	100.0
1949	29.8	8.0	16.7	25.8	19.7	100.0
1950	45.9	15.8	23.1	8.6	6.6	100.0
1951	36.1	11.2	20.0	25.2	12.0	100.0
1952	37.0	11.5	33.6	14.0	3.9	100.0
1953	64.0	14.9	10.3	7.1	3.7	100.0
1954	31.3	12.1	29.8	20.4	6.4	100.0
1955	10.3	7.7	41.8	29.8	10.4	100.0
1956	20.3	15.8	40.0	19.6	4.3	100.0
1957	54.0	16.9	19.9	8.2	1.0	100.0
1958	28.5	10.8	34.5	24.5	1.7	100.0
1959	49.7	13.0	13.6	20.4	3.3	100.0
1960	31.4	10.2	37.0	17.0	4.4	100.0

^{1/} Preliminary.



In the Border Belt markets (final sales, October 14), the gross volume was $11\frac{1}{2}$ percent greater than in 1959, but the average price was 1 percent below the record average of 1959.

In the Eastern Belt markets (final sales, November 4), the gross volume was nearly 24 percent above 1959, and the average price was up almost 5 percent from 1959 to a new high. Quality of the marketings as a whole was better than last year.

In the Middle Belt markets (final sales, November 18), the gross volume was 25 percent greater than in 1959, and the average price was up 8 percent to a new high. Quality was better than in 1959.

In the Old Belt markets (final sales, December 14), the gross volume was nearly 5 percent above 1959. The season average price was a record high--10 percent above a year ago but only 2 percent above 2 years ago.

Flue-cured tobacco placed under Government loan in the 1960 season totaled nearly 52 million pounds, 4 percent of the crop. Loan receipts in the 1960 season were the smallest since the present loan program was started in 1946.

Supplies

The 1960-61 total supply of flue-cured is 3,356 million pounds, 2 percent above a year earlier, but 9 percent less than the peak 4 years earlier. Though the mid-1960 carryover was down, the 1960 crop was nearly 16 percent above 1959. While acreage harvested was only slightly greater, the average

yield at 1,800 pounds per acre was up 15 percent and exceeded any previous year. The previous high was the 1,691 pound average in 1958. Average yields in every flue-cured producing State rose to record highs in 1960.

Carryover of flue-cured in mid-1961 may total about 2,120 million pounds--slightly above mid-1960. The 1961 allotted acreage is practically the same as in 1960 and little change from this year's harvested acreage is expected. If yields per acre should equal the 1958-60 average, a crop of approximately 1,170 million pounds would be grown. If this is the case, the 1961-62 flue-cured supply--production plus carryover--would total about 3,290 million pounds, roughly 65 million pounds less than for the current marketing year.

Domestic Use and Exports

Domestic use of flue-cured during July 1959-June 1960 was up 4 percent from the virtually unchanged level of the two preceding years. The 1960-61 domestic use is expected to show a further moderate increase. Cigarette output is likely to continue to gain and this is the major domestic outlet. Unit output of cigarettes may continue to gain by a larger percentage than use of leaf.

Exports of flue-cured in 1960-61 are expected to increase by 5 percent or more. In 1959-60 exports had dropped $5\frac{1}{2}$ percent from a year earlier and were the smallest since 1952-53. The significantly larger crop in 1960 than in the previous 3 years was of better than average quality and purchases for export were reportedly substantial. Prices for many grades, though fairly stable, did edge higher than in the previous season. The declared value of unstemmed flue-cured exported during September-October was $79\frac{1}{2}$ cents per pound (export weight)--4 percent higher than the corresponding value per pound in September-October 1959.

During the first third of the 1960-61 marketing year, exports totaled 224 million pounds (farm sales weight)--25 million pounds above the corresponding period a year earlier. Shipments to the United Kingdom, the top ranking importer, were 29 percent above a year earlier. West Germany, second ranking importer, took 2 percent less than in July-October 1959. Sweden and Ireland, the third and fourth ranking foreign outlets in July-October 1960, took nearly twice as much as in those months a year earlier. Netherlands and Belgium, ranking fifth and sixth, took 23 and 16 percent more, respectively. Other countries increasing their takings considerably in July-October 1960 over those in the same months a year earlier were Finland, Norway, New Zealand, Viet Nam, Singapore,

Table 12.—Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1947-49	1,174	1,458	2,632	1,108	715	393	46.0
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955	1,483	2,056	3,539	1,281	728	553	52.7
1956	1,423	2,258	3,681	1,170	705	465	51.5
1957	975	2,511	3,486	1,178	736	442	55.4
1958	1,081	2,308	3,389	1,179	736	443	58.2
1959	1,081	2,210	3,291	1,185	766	419	58.3
1960 2/	1,250	2,106	3,356				*59.9
	Parity price 3/	Price support level	Placed under Government loan		Remaining in Government loan		4/
			Quantity	Percentage of crop	stocks on Nov. 30, 1960		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	50.0	45.0	77.6	6.2	0		
1951	56.3	50.7	142.2	9.8	0		
1952	56.2	50.6	5/165.0	12.1	0		
1953	53.2	47.9	151.4	11.9	0		
1954	53.2	47.9	130.2	9.9	0		
1955	53.7	48.3	298.9	20.2	154.2		
1956	54.3	48.9	319.9	22.5	133.2		
1957	56.5	50.8	107.8	11.1	64.4		
1958	60.7	54.6	144.8	13.4	99.3		
1959	61.7	55.5	55.3	5.1	47.0		
1960	#63.0	#55.5	51.9	4.2	6/51.9		
Total			1,645.0		6/550.0		

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Includes quantities that went under loan since November 30. *Auction market average for gross sales which includes resales. #Parity price based on November data; support price set at 1959 level by February legislation.

(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Through December 19, about 4 million pounds, 1 percent of deliveries, placed under loan. *Auction market average through December 19. #Parity price based on November data; support price set at 1959 level by February legislation.

Austria and Portugal. A very sharp decrease occurred in shipments to Australia, often the third ranking foreign destination for flue-cured. None was yet reported as going to Spain, Indonesia and Ghana, in contrast to significant quantities a year earlier. There were sharp drops in exports to Thailand, Italy, Uruguay, Hong Kong, Taiwan, Philippine Republic, Egypt and Mexico in July-October 1960 compared with July-October 1959. However, more went to Pakistan, Switzerland and Burma, but less to France and Ceylon.

Burley, Type 31

Prices

Auction sales of 1960-crop burley began November 28. By December 19, gross sales totaled 388 million pounds and averaged 65.3 cents per pound. This price average is 4.3 cents higher than in the comparable period of last season. Auction markets closed for the holidays on December 21 and were scheduled to reopen on January 4. Approximately 75 percent of the crop had been sold on the 61 markets by December 19. Last year, nearly 90 percent of the crop was sold by the holiday closedown--largest pre-Christmas sales on record. General quality of offerings this year was improved over that of 1959.

The Government support level for 1960 burley is 57.2 cents per pound--the same as for the 1959 crop. Deliveries for Government loan have been relatively small thus far this season, as they have been in each of the last 4 seasons. Through December 19, about 3.9 million pounds or about 1 percent of market deliveries had been placed under Government loan. In the past 4 seasons, the quantities placed under loan ranged from a little over 1 percent to about $3\frac{1}{2}$ percent of the crop.

A marketing quota will be in effect for the 1961 crop of burley, hence it will receive Government price support. The support level for 1961 burley will be based on the 1959 support level adjusted in proportion to the change between (1) the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates), and (2) the average of the parity indexes for 1958, 1959 and 1960. Available data through November 1960 indicate that the 1961 burley support level will be virtually the same as the 57.2 cents per pound in effect in 1960 and 1959.

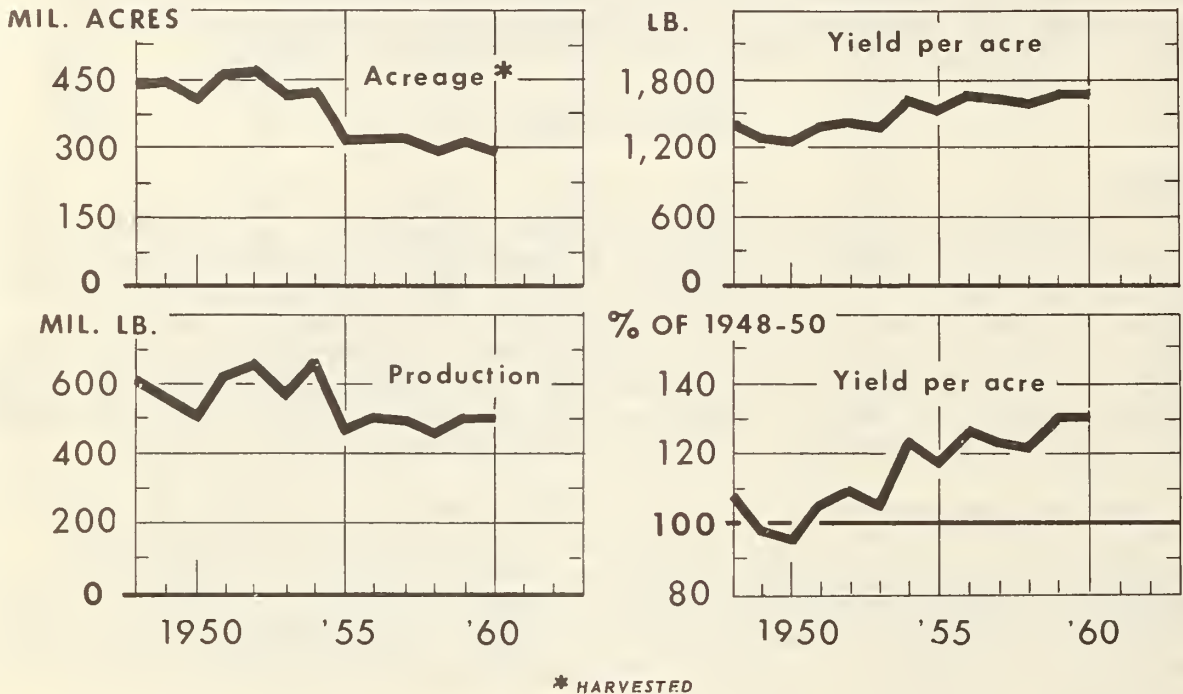
Supplies

The 1960-61 total supply of burley is 1,687 million pounds--39 million or 2 percent lower than for 1959-60. The 1960 crop, 496 million pounds, is 1 percent below the previous year's. Harvested acreage was 2 percent smaller but the average yield per acre at 1,674 pounds was up a little to a new record high. October 1, 1960 carryover totaled 1,191 million pounds--3 percent less than a year earlier.

Compared with the October 1, 1955 peak, total burley stocks have been reduced 156 million pounds or 12 percent. In the past year, Government loan stocks of burley declined sharply as substantial quantities were sold and moved into private trade channels. At the end of November 1960, about 89 million pounds of burley (farm-sales weight equivalent) were reported as remaining

BURLEY TOBACCO

Acreage, Yield and Production



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in loan stocks, compared with 216 million pounds a year earlier. The 1960-61 total supply is equal to 3.1 times prospective disappearance, compared with a ratio of 3.2 in 1959-60 and 3.6 in 1954-55. Carryover of burley on October 1, 1961 will be smaller than on this past October 1.

The 1961 burley marketing quota and acreage allotment will be announced by February 1. Burley growers approved marketing quotas for the 1959-61 crops in a February 1959 referendum. Before the 1962 crop is planted, burley growers will vote on whether to continue quotas on their 1962-64 crops.

Domestic Use and Exports

During the year ended September 30, domestic use of burley amounted to 499 million pounds--16 million or 3 percent more than in 1958-59. This was the first substantial upturn in 7 years. The increase accompanied a gain of 4 percent in cigarette production. In the same period, output of smoking tobacco and plug chewing--secondary outlets for burley--was down 1 percent and 7 percent, respectively. The domestic use of burley is likely to show some further increase in the current marketing year. Cigarette production--main outlet for burley--is expected to continue to increase. Not much change is expected in smoking tobacco, but production of plug chewing is likely to decline further.

Exports of burley tobacco at about 36 million pounds (farm-sales weight) topped 1958-59 shipments by more than 1 million pounds and were the largest in 10 years. West Germany accounted for 30 percent of the total and took a near-record quantity--nearly a fifth more than in the preceding year. Takings by Sweden, second ranking outlet, increased by approximately a sixth, although falling short of the quantity taken in 1957-58 by a substantial margin. Mexico was the third ranking foreign market, but reduced takings 9 percent below the previous year's relatively large total. Exports to Netherlands were equal to over 4 times, and to Egypt (mostly under P. L. 480), over 5 times those in 1958-59. Australian takings rose by more than a tenth, and Danish takings increased slightly. On the other hand, consignments to Italy and to France dropped by about 45 and 70 percent, respectively. Exports to Portugal were a little below the previous year, and those to Belgium, which up to 4 years ago took substantial quantities of U. S. burley, continued to fall off.

Maryland, Type 32 3/

Prices

The 1960 Maryland crop will go to auction next spring and summer. In recent years auction markets have opened during the last half of April and have closed around the middle of July. The Baltimore hogshead market, also available for marketing of Maryland tobacco, accounts for approximately a tenth of total sales. This market operates on a year-round basis, although the bulk of sales are usually made in the period coinciding with auction sales.

Government price support will be available for the 1960 crop at an average level of 50.8 cents a pound. For the 1961 crop, the support level for Maryland tobacco will be adjusted in proportion to the change between (1) the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates), and (2) the average of the parity indexes for 1958, 1959 and 1960. Judging from data available through November 1960, the support level for 1961 Maryland tobacco will be virtually the same as the 50.8 cents a pound in effect for the 1960 crop.

Prices for the 1959 crop averaged 61.6 cents a pound--1 percent below 1958 but otherwise second highest on record. Sales volume was the smallest in many years, but quality of offerings was well above average. Government price support was not available for the 1959 crop, as a marketing quota was not in effect.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 14.—Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/			Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Total	Domestic	Exports	
Average:							Ct.
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1947-49	38.0	45.8	83.8	35.6	27.6	8.0	48.5
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.3	32.5	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955	31.5	77.5	109.0	38.6	25.7	12.9	50.8
1956	36.5	69.7	106.2	34.9	21.4	13.5	51.7
1957	38.5	69.4	107.9	37.0	25.3	11.7	44.9
1958	31.1	70.9	102.0	39.4	24.1	15.3	62.3
1959	31.2	64.2	95.4	34.3	20.4	11.9	61.6
1960 3/	32.8	*62.0	94.8				
	Parity price 4/	Price support level	Placed under Government loan		Percentage of crop		Remaining in Government loan stocks on Nov. 30, 1960 5/
	Ct.	Ct.	Mil. lb.		Pct.		Mil. lb.
1950	56.5	48.6	5.5		13.8		0
1951	60.6	No price support 6/					
1952	58.5	No price support 5/					
1953	56.0	50.4	6.7		16.5		0
1954	53.5	No price support 6/					
1955	53.1	No price support 6/					
1956	52.2	47.0	3.3		9.0		0
1957	53.3	48.0	5.9		15.3		2.7
1958	56.4	50.8	1.1		3.6		.6
1959	56.4	No price support 6/					
1960	#57.6	#50.8					
Total			22.5				3.3

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining support level or when no support, October 1; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since less than two-thirds of growers voting approved. *Estimated. #Parity price based on November data; the 1960 support level set in accordance with February legislation.

Supplies

The 1960 crop of Maryland is estimated at 32.8 million pounds-- 5 percent more than produced in 1959. Acreage was down by 6 percent but the average yield per acre, indicated at 875 pounds, topped that of the preceding year by nearly an eighth.

This year's crop, added to the estimated carryover of 62 million pounds on January 1, 1961, will provide a total supply of about 95 million pounds-- slightly less than for 1959-60 and the lowest in 10 years.

The 1961 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1. Growers approved marketing quotas for the 1960-62 crops in a referendum in February 1960.

Domestic Use and Exports

Domestic use of Maryland tobacco during October 1959-September 1960 was about $20\frac{1}{2}$ million pounds--about $3\frac{3}{4}$ million below 1958-59 and the lowest in 25 years. The use of Maryland has not kept pace with expanding output of cigarettes--principal domestic outlet for this type of tobacco. Maryland is also used as filler in some cigars, but such use fluctuates from year to year, depending on availability and prices of certain grades.

Exports of Maryland tobacco in the year ended September 30 at 11.9 million pounds (farm-sales weight) were down over a fifth from the postwar peak reached in 1958-59 but were exceeded by a sizable margin in only two other marketing years in the postwar period--1955-56 and 1956-57. Switzerland accounted for half of the 1959-60 total, and Belgium and Portugal, together, for about a third. Exports to Switzerland and Portugal dropped by 19 percent and 29 percent, respectively, but those to Belgium more than doubled to a record high. West Germany and Netherlands each cut takings by approximately 50 percent. Consignments to France were only a small fraction of those in 1958-59, but to Tunisia, rose appreciably. None was reported as going to Spain, which received substantial quantities of Maryland in 1958-59.

Fire-cured, Types 21-23Prices

Auction markets for Virginia fire-cured tobacco (type 21) opened November 28. For sales through December 15 (when the markets closed for the holidays until January 9), prices averaged 40 cents per pound, compared with 38 cents a year earlier. Sales volume was down, but quality of offerings was better than a year ago. Auctions for Kentucky-Tennessee fire-cured type 22 and type 23 usually open during the first half of January.

Table 15.—Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	18.2	30.6	48.8	20.1	8.6	11.5	10.2
1941-45	12.1	31.3	43.4	15.5	8.6	6.9	22.1
1947-49	12.9	22.5	35.4	12.8	5.3	7.5	30.4
1950	12.8	23.1	35.9	11.3	5.9	5.4	36.3
1951	13.4	24.6	38.0	11.0	6.3	4.7	39.2
1952	12.2	27.0	39.2	10.5	5.5	5.0	35.5
1953	9.2	28.7	37.9	11.7	6.9	4.8	35.6
1954	10.6	26.2	36.8	10.2	6.0	4.2	34.4
1955	10.5	26.6	37.1	12.7	6.7	6.0	31.3
1956	10.7	24.4	35.1	10.3	4.8	5.5	39.5
1957	8.6	24.8	33.4	9.6	4.2	5.4	38.7
1958	9.4	23.8	33.2	10.7	5.3	5.4	36.9
1959	10.0	22.5	32.5	10.3	4.9	5.4	37.6
1960 2/	9.7	22.2	31.9				
	Parity price 3/ 4/	Price support level 5/	Placed under Government loan Quantity	Government loan Percentage of crop	Remaining in Government loan stocks on Nov. 30, 1960 6/		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	30.3	34.3	2.4	18.8	0		
1951	33.6	37.4	2.6	19.4	0		
1952	34.8	37.1	2.4	19.7	0		
1953	34.4	35.0	.7	7.6	0		
1954	34.8	34.8	2.1	19.8	1.1		
1955	35.8	34.6	1.8	17.1	1.0		
1956	36.2	36.1	1.7	15.9	1.7		
1957	38.8	38.8	1.0	11.6	.9		
1958	41.8	38.8	2.2	23.4	2.0		
1959	41.9	38.8	.8	8.1	.8		
1960	#42.5	#38.8	7/	7/	7/		
Total			17.7		7.5		

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining the burley support level. 4/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, type 21 parity computed separately. 5/ Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for this type. 6/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 7/ Through mid-December about 2½ percent of marketings were placed under loan. #Parity price based on November data; support price set at 1959 level by February legislation.

Table 16.—Fire-cured tobacco, types 22-231/: Domestic supplies, disappearance, season average price, and price support operations for specified periods

[illegible]

1/ Type 24 included until early 1950's when it became practically nonexistent. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining burley support level. 5/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, types 22-23 parity computed separately. 6/ Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support levels for these types. 7/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. #Parity price based on November data; support price set at 1959 level by February legislation.

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The Government support level for 1960 fire-cured is 38.8 cents a pound--the same as for the previous 3 crops. In the Virginia markets thus far, about $2\frac{1}{2}$ percent of market deliveries were placed under Government loan, compared with 6 percent in the corresponding period of last season. Government price support will continue for the 1961 fire-cured crop provided growers approve marketing quotas in the forthcoming referendum. (See the discussion on supplies which follows). The support level for 1961 fire-cured will be based on the 1959 level of 38.8 cents adjusted in proportion to the change between (1) the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates), and (2) the average of the indexes for 1958, 1959 and 1960. Based on data available through November 1960, the support level for 1961 fire-cured will be practically the same as the 38.8 cents in effect for the 1960 crop.

Supplies

The 1960-61 total supply of fire-cured tobacco at about 172 million pounds is 3 million below 1959-60 and a new record low. While carryover stocks were 1 percent larger, the 1960 crop--48 million pounds--is 9 percent smaller than that produced in 1959 and second smallest on record. Harvested acreage declined 5 percent; the average yield per acre, although 4 percent below the record 1959, was the third highest ever obtained.

For Virginia, type 21, both carryover and production were down a little from 1959-60 and total supplies are about 2 percent lower. Carryover of Kentucky-Tennessee fire-cured was a little larger than a year earlier, but this was more than offset by a decline of around a tenth in production. Total 1960-61 supplies of the Kentucky-Tennessee types 22-23 are about $1\frac{1}{2}$ percent below 1959-60.

The 1960-61 total supply of fire-cured is about 3.4 times probable disappearance, about the same ratio as in 1959-60. In the 5 years preceding 1959-60, this ratio varied from 3.1 to 3.3. Government loan holdings of these types are still substantial in comparison with annual disappearance.

The 1961 marketing quotas and acreage allotments for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1. Within 30 days following the announcement, a referendum will be held in which growers of the three fire-cured types will vote on whether they favor marketing quotas on their 1961, 1962 and 1963 crops. Approval by at least two-thirds of the growers voting in the referendum is necessary before marketing quotas can remain in effect. In the last referendum, held in February 1958, 96 percent of the farmers voting favored marketing quotas on their next 3 crops.

Domestic Use and Exports

In the marketing year ended September 30, total disappearance of the fire-cured types was about 51 million pounds, about 3 million less than in 1958-59 and a new record low. In the marketing years 1953-57, total disappearance of fire-cured averaged 62 million pounds.

For the second year in a row, both domestic disappearance and exports declined. The 1959-60 domestic use, $27\frac{1}{2}$ million pounds, was over 2 million less than a year earlier and about 6 million less than 2 years earlier. Virginia fire-cured declined 6 percent, and the Kentucky-Tennessee types, 8 percent. These reductions occurred despite the fact that the 1959-60 output of snuff -- chief domestic outlet for fire-cured tobacco -- was a little above the previous year. It may be that less fire-cured was used in other products than in 1958-59.

In the October 1959-September 1960 marketing year, exports of fire-cured totaled about 24 million pounds (farm-sales weight) -- 4 percent less than in 1958-59. In the 5 years preceding 1958-59, exports of fire-cured averaged 30 million pounds. Exports of Kentucky-Tennessee fire-cured in 1959-60 at about $18\frac{1}{2}$ million pounds were 1 million below 1958-59. The Netherlands, accounting for about a third of the total, reduced takings by over a fifth. Exports to France, ranking second, jumped 86 percent and Switzerland, ranking third, took 8 percent more than in 1958-59. Other countries receiving more Kentucky-Tennessee fire-cured than a year earlier were Egypt, Sweden, Norway and Ireland. Exports to West Germany stay about even with those in each of the 2 previous years. On the other hand, less than in 1958-59 went to Belgium, Denmark, United Kingdom, Portugal, Viet Nam and Canary Islands.

Exports of Virginia fire-cured at close to $5\frac{1}{2}$ million pounds (farm-sales weight) were about equal to those in 1958-59. The United Kingdom accounted for around a third of the total, increasing takings by 32 percent. Norway, accounting for nearly a fourth of the total, cut takings by 30 percent to the lowest on record. Less fire-cured than a year ago went to West Germany, Netherlands and New Zealand, but more went to Sweden, Austria and Australia. Swiss takings were little changed from those of a year earlier.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured, types 35 and 36) opened during the first half of December. For sales through December 19, type 35 prices averaged 37.2 cents per pound, and type 36, 35.5 cents per pound, respectively. A year earlier, type 35 prices averaged 34.4 cents and type 36 averaged 34.3 cents. Auctions at Richmond opened for Virginia sun-cured (type 37) on December 6. For all sun-cured sales through December 16, prices averaged 38.6 cents per pound, compared with 34.3 cents in the corresponding 1959 period.

The Government price support level for 1960 dark air-cured and sun-cured tobacco is $34\frac{1}{2}$ cents--the same as for the previous three crops. Price support will be available for the 1961 crop of Virginia sun-cured, and, provided marketing quotas are approved in the forthcoming referendum, for 1961 dark air-cured, types 35-36. (See the section on supplies which follows for a discussion of the referendum for growers of types 35-36.) The support level for 1961 sun-cured will be based on

Table 17.—Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

[illegible]

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level. 4/ Set at 66-2/3 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for these types. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953. 7/ Through mid-December, about 13 percent of dark air-cured marketings were placed under loan. #Parity price based on November data; support price set at 1959 level by February legislation.

Table 18.—Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	2.7	2.7	5.4	2.6			11.5
1941-45	2.4	3.2	5.6	2.6			28.1
1947-49	3.0	3.6	6.6	3.0			30.7
1950	3.6	4.0	7.6	3.5	3.0	0.5	33.9
1951	4.0	4.1	8.1	3.8	3.1	.7	34.6
1952	3.7	4.3	8.1	4.1	3.5	.6	31.6
1953	2.9	4.0	6.9	3.2	2.7	.5	31.8
1954	3.7	3.7	7.4	3.2	2.7	.5	32.2
1955	3.3	4.2	7.4	2.9	2.1	.8	25.3
1956	3.2	4.6	7.8	2.5	1.9	.6	35.7
1957	2.7	5.3	8.0	2.5	1.9	.6	34.0
1958	1.9	5.5	7.4	2.5	2.2	.3	36.8
1959	2.2	4.9	7.1	1.9	1.6	.3	34.4
1960 2/	2.0	5.2	7.2				
		</					

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level. 4/ Set at 66-2/3 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation; under legislation approved February 20, 1960, neither parity prices nor the burley support are the basis for determining support level for this type. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. #Parity price based on November data; support price set at 1959 level by February legislation.

the 1959 level of 34.5 cents adjusted in proportion to the change between (1) the 1959 parity index (the index of prices paid by farmers, including interest, taxes, and wage rates), and (2) the average of the indexes for 1958, 1959 and 1960. Based on data through November 1960, it is likely that the support level for 1961 sun-cured will be practically the same as the 34.5 cents in effect for the current crop. This will also apply to dark air-cured, types 35-36, providing marketing quotas continue in effect for the 1961 crop.

Through mid-December, about 9 percent of auction market offerings of One Sucker and about 20 percent of those of Green River were placed under loan. In the corresponding period a year ago, about 15 percent of the One Sucker and 10 percent of Green River were delivered for loan. Loan receipts of Virginia sun-cured were minor, as usual.

Supplies

The 1960-61 total supply of dark air-cured and sun-cured tobacco at about 87 $\frac{1}{2}$ million pounds is 3 percent lower than for 1959-60 and the second smallest on record. The reduction was occasioned primarily by a decline in carryover stocks, which totaled 66 million pounds-- nearly 2 $\frac{1}{2}$ million less than a year earlier. The 1960 crop-- 21.4 million pounds-- was only slightly below the previous year's outturn. An increase in Green River offset a decline in One Sucker, while the Virginia sun-cured crop was moderately below that of 1959. Acreages of One Sucker and Virginia sun-cured were smaller than last year, but the Green River acreage was slightly larger. Average yields per acre of Green River and Virginia sun-cured rose above the previous year's, and that of One Sucker, although below 1959, was still the third highest ever obtained.

The 1960-61 supply of dark air-cured and sun-cured tobacco is equal to about 3.6 times prospective disappearance, compared with 3.8 in 1959-60 and 3.5 in 1958-59. Government loan stocks of the dark air-cured types are substantial compared with annual disappearance.

By February 1, 1961, the Secretary of Agriculture will announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Within 30 days following the announcement, a referendum will be held in which producers of dark air-cured (types 35-36) will vote on whether they favor marketing quotas for their 1961-63 crops. Approval by at least two-thirds of the growers voting is required for marketing quotas to remain in effect. In the last referendum, held in February 1958, growers of types 35-36 approved quotas for their next 3 crops by an overwhelming majority. Marketing quotas for the 1959-61 sun-cured crops were approved by growers of this type in a previous referendum.

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured in the year ended September 30 was about 24 million pounds, compared with approximately 27 $\frac{1}{2}$ million in each of the 2 preceding years. Both domestic disappearance and exports were down. Domestic use at a record-low 18 million pounds was 8 percent below 1958-59. In the 1953-57 marketing years, domestic disappearance averaged 21 $\frac{1}{2}$ million pounds. The main outlet for dark air-cured and sun-cured in this country is in the manufacture of chewing tobacco, which in 1959-60 declined nearly 3 $\frac{1}{2}$ percent. Domestic usage of Kentucky-Tennessee dark air-cured fell 6 percent and that of Virginia sun-cured, 23 percent.

Exports of dark air-and sun-cured in 1959-60, about $5\frac{3}{4}$ million pounds (farm-sales weight), were about a fourth less than in 1958-59 and were the lowest since the wartime year 1943. The decline from 1958-59 was mainly due to decreased shipments of One Sucker leaf. These amounted to 854,000 pounds (farm-sales weight) in 1959-60, not much more than a third of the quantity exported in the previous year. Belgium, accounting for over three-fifths of the total, took 29 percent less. A significant shipment went to Finland, which took none in 1958-59. No One Sucker was reported exported to Austria or Portugal; these countries received substantial quantities in 1958-59.

The 1959-60 exports of Green River totaled 978,000 pounds (farm-sales weight)--about an eighth less than in the preceding year. Over half of the total went to the United Kingdom, but this quantity was a 24 percent drop from a year earlier. Exports to Belgium accounted for about a fourth of the total, and increased substantially over those in 1958-59. None was reported as going to Austria, which received a sizable shipment in the previous year.

A substantial part of dark air-cured tobacco exports is in the form of Black Fat--a semiprocessed product. Exports of Black Fat in 1959-60 were 6 percent less than a year ago. Comparatively little change occurred in exports to Nigeria and Ghana--first and second ranking outlets, respectively--but those to Western Africa (formerly French West Africa) dropped by more than two-fifths. Exports to Other Spanish Africa increased sharply, but to Cameroun and Canary Islands, were less than a year ago.

Cigar Types 41-62

Cigar Leaf Prices

Most cigar tobacco is purchased at the "barn door" during the fall and winter. Information available thus far indicates that buying of the 1960 crops is later than usual. Purchases of most of the Ohio filler crop (types 42-44) have been made but little buying had been reported in Pennsylvania and the Connecticut Valley by mid-December.

Marketings of the Wisconsin binder types usually begin during January.

Government support prices for the 1960 crops of the eligible cigar types are shown in Table 19. For the 1961 crops, the levels of price support will be adjusted from their 1959 levels in proportion to the change between the 1959 parity index and the average of the parity indexes for 1958, 1959 and 1960. Available data through November 1960 on the parity index (prices paid by farmers, including interest, taxes and wage rates) indicate that the 1961 support levels for eligible cigar types will be practically the same as in 1960.

Supplies of Filler, Binder and Wrapper Tobacco

Filler: The 1960-61 total supply of Pennsylvania cigar filler at over 162 million pounds is 3 percent larger than 1959-60 and the largest since 1952-53. The increase in carryover more than offset the small decrease in harvest this year from last. The 1960-61 total supply of Ohio cigar filler at 24 million pounds is nearly 2 percent above 1959-60. There was comparatively little difference in the size of crop

Table 19.--Cigar tobacco types: Government price support levels, 1958-60, and season average prices, 1958-59

Type	1958		1959		1960
	Price	Season	Price	Season	Price
	support	average	support	average	support
	level 1/	price	level 1/	price	level 1/
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	23.4	24.2	23.4	27.3	23.4
Puerto Rican filler, type 46	31.2	2/30.0	29.7	32.2	29.7
Connecticut Valley Broadleaf binder, type 51	3/56.2	54.0	3/39.6	45.0	3/39.6
Connecticut Valley Havana Seed binder, type 52	48.0	49.4	39.6	41.2	39.6
Southern Wisconsin binder, type 54	25.5	34.6	26.5	29.3	26.5
Northern Wisconsin binder, type 55	31.0	35.2	32.0	37.1	32.0

1/ For Pennsylvania Havana Seed, type 53: 1957, 23.3 cents; 1958, 25.5 cents; 1959 and 1960, 26.5 cents. 2/ Preliminary. 3/ Broadleaf (type 51) supported only on an unsorted basis.

Table 20.--Cigar tobacco price support operations, quantities placed under loan, 1950-59, and remaining under loan Nov. 30, 1960

Crop year	Puerto Rican, type 46	Ohio types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	0.3	2.6	0.1	3.7	1.4	0.6	1/11.5
1951	1.1	.6	1.7	2.7	4.8	.1	1/11.0
1952	1.4	No Price Support 2/					1.4
1953	1.4	2.7	3/	1.8	2.4	1.9	1/10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	---	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	3/	4.4
Total	19.4	8.4	16.4	19.1	11.3	7.9	1/85.4
Remaining as of November 30, 1960	0	0	7.5	4.5	.9	.6	13.5

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53). 2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Less than 50,000 pounds.

compared with last year, but carryover was up a little. The 1960-61 supply of Puerto Rican cigar filler may be a little larger than for 1959-60. Carryover on October 1 was a little larger than a year earlier and the quota set by the Puerto Rican Commonwealth Government for the crop planted late this year is about the same as a year ago.

Binder: The 1960-61 total supply of Connecticut Valley binder types at about 40 million pounds is down $4\frac{1}{2}$ percent from 1959-60. Combined production of types 51-52 was 8 percent less than last year's with all the decrease occurring in type 51. Carryover of both types was a little lower than a year ago.

The 1960-61 total supply of Wisconsin binder types at about 71 million pounds is 6 percent above 1959-60. Production in 1960 was nearly 18 percent larger than in 1959 and the largest since 1951 for Southern Wisconsin (type 54) and since 1954 for Northern Wisconsin (type 55). Carryover of the combined Wisconsin types was up a little with the increase in type 54 more than offsetting the decrease in type 55.

Wrapper: The 1960-61 total supply of cigar wrapper types for the July 1960-June 1961 marketing year is over 43 million pounds-- 12 percent larger than for 1959-60 and a record high. Production in the Connecticut Valley and Georgia-Florida, was up 10 and 17 percent, respectively, from 1959. Carryover of the Connecticut Valley wrapper was up 16 percent from a year earlier, and carryover of Georgia-Florida wrapper was up 4 percent. Supplies of both types exceed those for any previous year.

1961 Marketing Quotas and Acreage Allotments

The 1961 marketing quotas and acreage allotments for Connecticut Valley binder types 51-52 and Ohio filler-Wisconsin binder types 42-⁴⁴ and 53-55 will be announced by February 1, 1961. In February 1960, growers of the above types voted approval of marketing quotas on their 1960, 1961 and 1962 crops.

The cigar wrapper types 61-62 are not covered by the marketing quota legislation.

The growers of Pennsylvania filler type 41 have consistently rejected marketing quotas on this type and will not vote again until early 1962, unless, as appears unlikely, growers should petition the Secretary of Agriculture for an earlier referendum.

The Commonwealth Government of Puerto Rico has been setting a quota on Puerto Rican cigar filler type 46 for several years.

Domestic Use and Exports

Filler: Domestic use of Pennsylvania filler during October 1959-September 1960 at 48 million pounds (farm-sales weight) was down about $4\frac{1}{2}$ percent from a year earlier although above each of the two previous years. Exports as in most years were relatively small. Domestic use of Ohio filler at $6\frac{1}{2}$ million pounds increased moderately from the record low of a year earlier. Domestic use of Puerto Rican filler at nearly 26 million pounds was down sharply from a year earlier and exports of Puerto Rican filler were less than half as much as the larger-than-usual figure of a year earlier. The principal outlets of exported filler were Viet Nam, France and Canada.

Table 2I.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960 2/	52.7	109.7	162.4				
Ohio, Miami Valley (types 42-44)							
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960 2/	6.9	17.5	24.4				
Puerto Rico (type 46)							
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	27.6	42.4	70.0	26.2	25.8	.4	32.2
1960 2/	27.0	43.8	70.8				

1/ Year beginning October 1.

2/ Subject to revision.

Table 22.—Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
Average: 1947-49	14.4	28.5	42.8	14.7	12.4	2.3	54.7
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.9	4.7	.2	44.0
1960 2/	3.7	19.6	23.3				
Connecticut Valley Havana Seed (type 52)							
Average: 1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.0	3.3	.7	41.2
1960 2/	3.3	13.7	17.0				
Total Connecticut Valley (types)							
Average: 1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	8.9	8.0	.9	42.6
1960 2/	7.0	33.3	40.3				

1/ Year beginning October 1.

2/ Subject to revision.

Table 22.—Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Southern Wisconsin (type 54)							
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	7.9	7.5	.4	34.6
1959	9.2	20.9	30.1	7.9	7.6	.3	29.3
1960 2/	9.8	22.2	32.0				
Northern Wisconsin (type 55)							
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.3	12.0	2.3	35.2
1959	11.6	25.3	36.9	13.0	11.6	.9	37.1
1960 2/	14.9	24.4	39.3				
Total Wisconsin types (54-55)							
Average:							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.2	19.5	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960 2/	24.7	46.6	71.3				

^{1/} Year beginning October 1.

^{2/} Subject to revision.

Table 24.--Cigar wrapper tobacco, types 61-62: Domestic supplies disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
Average:							
1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.6	13.0	23.6	8.5	6.0	2.5	180.0
1960 2/	11.7	15.1	26.8				
Georgia-Florida Shade -grown (type 62)							
Average:							
1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.7	7.3	15.0	7.4	6.1	1.3	195.0
1960 2/	9.0	7.6	16.6				
Total Shade-grown (types 61-62)							
Average:							
1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.3	20.3	38.6	15.9	12.1	3.8	186.0
1960 2/	20.7	22.7	43.4				

1/ Year beginning July 1.

2/ Subject to revision.

Use of imported tobacco in cigars during October 1959-September 1960 was close to 47 million pounds(unstemmed weight), about even with 1958-59 but appreciably above 1957-58. Over two-thirds of 1959-60 usings of imported cigar tobacco was Cuban tobacco, almost a fourth was Philippine tobacco, and most of the rest was Peruvian tobacco.

Binder: The domestic use of the Connecticut Valley binder types 51-52 in 1959-60 was 8 million pounds--slightly below 1958-59. Use of Broadleaf (type 51) was a record low but use of Havana Seed (type 52) was up moderately from the extreme low of a year earlier. Exports of type 51 held about even with the low 1958-59 figure but there was a slight increase in exports of type 52. Considerably less than usual went to West Germany, but Belgium and Austria increased their takings appreciably compared with a year earlier.

The domestic use of the Wisconsin binder types 54-55 at about 19 million pounds in 1959-60 was also down slightly from a year earlier. All of the drop was in the Northern Wisconsin type 55 which had the smallest domestic use in about 20 years. The 1959-60 use of Southern Wisconsin type 54 barely topped the record low of 1958-59. Exports of Wisconsin tobacco dropped sharply below the higher-than-usual level of the preceding 2 years. Much less went to West Germany and East Germany, though France took a sizable quantity in contrast to none in 1958-59.

Cigar Binder Sheet: Manufactured sheet binders have replaced natural leaf binders on many brands of cigars in the last few years. The leading constituent type in sheet binder in 1960 was type 51 Connecticut Valley Broadleaf comprising nearly 30 percent of the unstemmed equivalent of tobacco used for this purpose. The next ranking types utilized in binder sheet were as follows: Type 61 Connecticut Valley wrapper (probably mostly cuttings), 25 percent; type 41 Pennsylvania filler, 19 percent; type 52 Connecticut Valley Havana Seed, 13 percent; type 55 Northern Wisconsin, 8 percent; and all other types 5 percent.

Wrapper: The July 1959-June 1960 domestic use of cigar wrapper types 61-62, totaled about 12 million pounds--up a half-million from 1958-59. The domestic use of the Georgia-Florida wrapper (type 62) increased sharply but the use of Connecticut Valley wrapper (type 61) dropped below a year earlier. There was a significant decline in the exports of both types. On a combined basis exports were 28 percent below 1958-59 and the smallest in 6 years. West Germany, generally the destination for 55 to 75 percent of total wrapper exports, cut her 1959-60 takings to just over a half of that going there in 1958-59. In the first third of the 1960-61 marketing year, wrapper exports were 18 percent below those in the corresponding period of 1959-60. West Germany took 39 percent less but there was a 63 percent increase in wrapper exports to Canada. Most of the drop during July-October 1960 compared with a year earlier was in the Georgia-Florida wrapper exports.

Manufactured wrapper: Considerable work is being carried on to develop manufactured cigar wrapper sheet for use as the outside wrapper on cigars. Wrapper sheet has already been used on cigars with mouthpiece holders and subjected to some consumer testing. The successful development of wrapper sheet suitable for widespread usage will result in substantial economies in cigar making. It will also necessitate major adjustments in the cigar wrapper growing areas of the Connecticut Valley and Georgia-Florida.

Table 25. - Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	(Reported weight)				
	1959	1960			
	October 1	January 1	April 1	July 1	October 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Flue-cured (types 11-14)					
Unstemmed	266	452	75	88	90
Stemmed	939	1,219	2,442	2,938	2,402
Subtotal	1,205	1,671	2,517	3,026	2,492
Burley (type 31)					
Unstemmed	177	301	0	0	0
Stemmed	628	666	1,572	1,500	1,447
Subtotal	805	967	1,572	1,500	1,447
Total for cigarettes (including smoking tobacco)					
Unstemmed	478	814	126	148	143
Stemmed <u>2/</u>	1,595	1,973	4,158	4,642	4,094
Subtotal <u>2/</u>	3/2,073	3/2,787	3/4,284	3/4,790	3/4,237
Maryland (type 32)					
Unstemmed	3	0	0	0	0
Stemmed	26	40	17	21	21
Subtotal	29	40	17	21	21
Pennsylvania (type 41)					
Unstemmed	103	110	118	68	44
Stemmed	160	216	189	251	235
Subtotal	263	326	307	319	279
Connecticut Valley (type 51)					
Unstemmed	368	319	347	310	305
Stemmed	145	196	237	229	206
Subtotal	513	515	584	539	511
Connecticut Valley (type 52)					
Unstemmed	335	340	369	191	190
Stemmed	0	0	0	0	0
Subtotal	335	340	369	191	190
Northern Wisconsin (type 55)					
Unstemmed	111	101	121	182	214
Stemmed	9	9	8	7	8
Subtotal	120	110	129	189	222
Connecticut Valley (type 61)					
Unstemmed	48	69	46	45	64
Stemmed	310	327	419	335	384
Subtotal	358	396	465	380	448
Total for Cigars <u>4/</u>					
Unstemmed	989	953	1,018	816	845
Stemmed	683	816	900	874	893
Subtotal	1,672	1,769	1,918	1,690	1,738
Grand total for all types	3,745	4,556	6,202	6,480	5,975

1/ Does not include tobacco stems added in manufacturing process. 2/ Includes very small quantity of Maryland (type 32). 3/ Includes foreign grown tobacco: October 1959, 56,000 pounds; January 1960, 144,000 pounds; April 1960, 178,000 pounds; July 1960, 241,000 pounds. October 1960, 271,000 pounds. 4/ Includes relatively small quantities of Flue-cured (types 11-14), Ohio (types 42-44), Puerto Rican (type 46), Southern Wisconsin (type 54), Georgia-Florida Shadegrown (type 62), Cuban (type 81) and Philippine Islands (type 83), ~~other~~ foreign-grown cigar-leaf (type 84).

Table 26.--Acreage of tobacco in the United States, by class and type, annual 1957-60 and percentages

Class and type	1957	1958	1959	1960	Percent- age change 1959 to 1960
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	237.0	228.0	250.5	250.5	100
Eastern North Carolina, type 12	218.0	213.0	223.0	223.0	100
South Carolina, type 13	133.0	129.0	136.5	136.5	100
Georgia and Florida, type 14	74.7	69.4	83.3	84.3	101
Total flue-cured, types 11-14	662.7	639.4	693.3	694.3	100
Virginia, type 21	6.9	6.8	7.6	7.3	96
Kentucky and Tennessee, type 22	22.2	18.3	20.2	19.1	95
Kentucky and Tennessee, type 23	7.5	6.0	7.4	6.9	93
Total fire-cured, types 21-23	36.6	31.1	35.2	33.3	95
Burley, type 31	306.6	297.1	301.0	296.0	98
Maryland, type 32	37.0	34.0	40.0	37.5	94
One Sucker, type 35	9.8	8.6	9.0	8.8	98
Green River, type 36	4.7	4.1	4.2	4.3	102
Virginia sun-cured, type 37	2.6	1.6	2.1	1.8	86
Total dark air-cured, types 35-37	17.1	14.3	15.3	14.9	97
Pennsylvania, Seedleaf, type 41	29.0	30.0	31.0	31.0	100
Miami Valley, types 42-44	3.6	3.0	3.9	4.3	110
Total cigar filler, types 41-44	32.6	33.0	34.9	35.3	101
Connecticut Valley Broadleaf, type 51	2.8	2.0	2.8	2.1	75
Connecticut Valley Havana Seed, type 52	1.5	.9	1.7	1.7	100
Southern Wisconsin, type 54	4.4	5.2	5.7	5.7	100
Northern Wisconsin, type 55	7.2	7.8	8.2	8.9	109
Total cigar binder, types 51-55	15.9	15.9	18.4	18.4	100
Connecticut Valley Shade-grown, type 61	7.9	7.8	8.1	8.3	102
Georgia and Florida Shade-grown, type 62	5.2	5.1	5.7	6.0	105
Total cigar wrapper, types 61-62	13.1	12.9	13.8	14.3	104
Louisiana Perique, type 72	.2	.2	.1	.3	300
Total all types	1,121.8	1,077.9	1,152.0	1,144.3	99

1/ Preliminary.

Table 27.--Tobacco: Acreage in the United States, by types, for specified periods, with percentages

Period	Flue- cured 11-14	Bur- ley 31	Mary- land 32	Fire-cured		Dark air- cured 35-36	Va. sun- cured 37	Cigar						Total 1/
				Va. 21	Ky-Tenn 22-23			Filler			Binder		wrap- per 61-62	
								41	42-44	46	51-52	54-55		
	acres	acres	acres	acres	acres	acres	acres	acres	acres	acres	acres	acres	acres	acres
Averages:	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1934-38	863.2	347.2	36.7	23.0	109.1	38.7	3.3	23.4	14.6	42.7	12.6	15.6	8.9	1,501.3
1941-45	889.8	420.1	38.7	13.6	54.7	33.6	2.7	32.9	7.6	35.1	14.7	21.4	10.3	1,577.2
1947-49	993.5	433.3	48.0	12.0	56.9	29.2	3.2	36.1	6.8	33.5	18.2	22.5	14.8	1,709.6
1950	958.4	408.3	50.0	9.8	43.1	25.5	3.2	37.3	7.8	34.0	18.9	22.1	13.7	1,633.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	3.5	34.9	4.9	33.8	15.3	15.8	13.6	1,813.7
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	3.4	23.7	5.7	35.6	15.1	15.1	13.1	1,807.0
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	3.7	25.8	4.7	40.5	14.6	14.3	12.3	1,673.0
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	4.1	29.2	4.6	36.9	14.4	15.0	13.0	1,704.4
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	35.1	13.4	14.3	12.9	1,530.5
1956	875.3	309.8	43.7	8.5	38.5	19.3	3.1	29.0	3.9	25.5	7.2	11.8	13.3	1,389.0
1957	662.7	306.6	37.0	6.9	29.7	14.5	2.6	29.0	3.6	25.8	4.3	11.6	13.1	1,147.6
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	23.5	2.9	13.0	12.9	1,101.4
1959	693.3	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	25.6	4.5	13.9	13.8	1,177.6
1960 2/	694.3	296.0	37.5	7.3	26.0	13.1	1.8	31.0	4.3	25.0	3.8	14.6	14.3	1,169.3
Percentage change														
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1960	-30.1	-31.7	-21.9	-39.2	-54.3	-55.1	-43.8	-14.1	-36.8	-25.4	-79.1	-35.1	-3.4	-31.6
1959 to 1960:	.1	- 1.7	- 6.2	- 3.9	- 5.8	- .8	-14.3	0	10.3	- 2.3	-15.6	5.0	3.6	- .7

1/ Total includes types 45, 56, 24 and 53 ended in 1939, 1948, 1949 and 1953, respectively. Also may not add due to rounding.

2/ Subject to revision.

Table 28.--Tobacco: Yield per acre in the United States, by types, for specified periods, with percentages

Period	Flue-cured 11-14	Burley 31	Maryland 32	Fire-cured		Dark air-cured 35-36	Va. sun-cured 37	Cigar						Total 1/
				Va. 21	Ky-Tenn 22-23			Filler			Binder		wrap- per 61-62	
								41	42-44	46	51-52	54-55		
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
Averages:														
1934-38	856	819	749	792	806	839	809	1,413	1,028	665	1,553	1,383	954	865
1941-45	1,005	1,053	696	892	986	1,027	878	1,382	1,151	812	1,646	1,468	1,004	1,027
1947-49	1,186	1,267	790	1,088	1,128	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	750	1,670	1,446	1,130	1,259
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	831	1,676	1,473	1,098	1,301
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	963	1,620	1,447	1,124	1,267
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	842	1,833	1,400	1,203	1,251
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	921	1,754	1,530	1,264	1,336
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	855	1,643	1,475	1,213	1,453
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	941	1,849	1,716	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,035	1,940	1,709	1,442	1,476
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,089	1,867	1,682	1,286	1,600
1959	1,559	1,669	780	1,320	1,560	1,465	1,040	1,725	1,760	1,062	1,681	1,502	1,325	1,533
1960 2/	1,800	1,674	875	1,325	1,490	1,481	1,100	1,700	1,600	---	1,843	1,695	1,447	1,684
Percentage change														
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1960	51.8	32.1	10.8	21.8	32.1	30.7	16.8	12.6	6.4	34.4	14.7	15.5	40.1	40.8
1959 to 1960:	15.5	.3	12.2	.4	-4.5	1.1	5.8	-1.4	-9.1	---	9.6	12.8	9.2	9.8

1/ Total includes types 45, 56, 24, and 53 ended in 1939, 1948, 1949 and 1953, respectively.

2/ Subject to revision; for type 46, 1959 yield used for calculating percentage change and total.

Table 29.--Tobacco: Acreage yield, production, stocks, supply, disappearance, price and crop value, United States and United States including Puerto Rico, for specified years (farm-sales weight)

Crop Year	Acreage	Yield	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound	Value of crop
						Total	Domestic	Exports		
Average	1,000 acres	Lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	Mil. dol.
1925-29	1,756	773	1,356	1,764	3,120	1,387	787	600	18.7	253
1930-34	1,706	786	1,338	2,066	3,404	1,229	741	488	13.2	170
1935	1,439	905	1,302	2,220	3,522	1,330	857	473	18.4	239
1936	1,441	807	1,163	2,192	3,355	1,331	885	446	23.6	274
1937	1,753	895	1,569	2,024	3,593	1,409	902	507	20.4	320
1938	1,601	866	1,386	2,183	3,569	1,435	921	514	19.6	270
1939	2,000	940	1,881	2,134	4,015	1,287	935	352	15.4	289
1940	1,410	1,036	1,460	2,728	4,188	1,179	990	189	16.1	234
1941	1,306	966	1,262	3,009	4,271	1,433	1,112	321	26.4	333
1942	1,377	1,023	1,408	2,838	4,246	1,592	1,274	318	36.9	520
1943	1,458	964	1,406	2,654	4,060	1,675	1,287	388	40.5	570
1944	1,750	1,115	1,951	2,385	4,336	1,946	1,407	539	42.0	820
1945	1,821	1,094	1,991	2,390	4,381	1,928	1,334	594	42.6	848
1946	1,961	1,181	2,315	2,453	4,768	2,012	1,355	657	45.1	1,044
1947	1,852	1,138	2,107	2,756	4,863	1,850	1,413	437	43.6	918
1948	1,554	1,274	1,980	3,013	4,993	1,922	1,417	505	48.2	955
1949	1,623	1,213	1,969	3,071	5,040	1,951	1,420	531	45.9	905
1950	1,599	1,269	2,030	3,089	5,119	1,975	1,452	523	51.7	1,049
1951	1,780	1,310	2,332	3,144	5,476	2,072	1,488	584	51.1	1,191
1952	1,772	1,273	2,256	3,404	5,660	2,055	1,557	498	49.9	1,125
1953	1,633	1,261	2,059	3,605	5,664	1,995	1,480	515	52.3	1,076
1954	1,668	1,346	2,243	3,669	5,912	1,935	1,419	516	51.1	1,147
1955	1,495	1,466	2,193	3,977	6,170	2,058	1,410	648	53.2	1,166
1956	1,364	1,596	2,176	4,112	6,288	1,929	1,373	556	53.7	1,169
1957	1,122	1,486	1,668	4,359	6,027	1,921	1,393	528	56.1	936
1958	1,078	1,611	1,737	4,106	5,843	1,923	1,388	535	59.5	1,035
1959 2/	1,152	1,559	1,797	3,920	5,717	1,929	1,426	503	58.1	1,043
1960 2/	1,144	1,713	1,960	3,788	5,748					
United States and Puerto Rico 3/										
1935	1,483	895	1,328	2,280	3,608	1,357	884	473	18.3	243
1936	1,491	803	1,198	2,251	3,449	1,363	917	446	23.3	279
1937	1,816	888	1,613	2,086	3,699	1,449	942	507	20.1	325
1938	1,620	864	1,400	2,250	3,650	1,459	945	514	19.4	272
1939	2,033	939	1,909	2,191	4,100	1,318	966	352	15.3	293
1940	1,451	1,027	1,490	2,782	4,272	1,202	1,013	189	16.1	240
1941	1,348	960	1,294	3,070	4,364	1,464	1,143	321	26.2	339
1942	1,389	1,020	1,417	2,900	4,317	1,622	1,304	318	36.9	523
1943	1,494	960	1,434	2,695	4,129	1,690	1,302	388	40.5	581
1944	1,798	1,108	1,993	2,439	4,432	1,967	1,428	539	41.6	830
1945	1,857	1,089	2,023	2,465	4,488	1,957	1,363	594	42.5	860
1946	1,987	1,177	2,339	2,531	4,870	2,040	1,383	657	44.9	1,050
1947	1,884	1,132	2,133	2,830	4,963	1,882	1,444	438	43.4	925
1948	1,586	1,265	2,007	3,081	5,088	1,964	1,450	514	47.9	962
1949	1,659	1,203	1,995	3,124	5,119	1,979	1,446	533	45.6	910
1950	1,633	1,259	2,056	3,140	5,196	2,004	1,480	524	51.4	1,056
1951	1,814	1,301	2,360	3,192	5,552	2,106	1,522	584	50.8	1,200
1952	1,808	1,267	2,290	3,446	5,736	2,084	1,586	498	49.6	1,136
1953	1,673	1,251	2,093	3,652	5,745	2,027	1,512	515	51.9	1,086
1954	1,705	1,336	2,278	3,718	5,996	1,959	1,443	516	50.8	1,157
1955	1,530	1,453	2,223	4,037	6,260	2,090	1,442	648	52.8	1,174
1956	1,390	1,583	2,200	4,170	6,370	1,960	1,403	557	53.5	1,176
1957	1,148	1,476	1,694	4,410	6,104	1,948	1,420	528	55.6	943
1958	1,102	1,600	1,762	4,156	5,918	1,956	1,420	536	59.1	1,042
1959 2/	1,178	1,533	1,825	3,962	5,787	1,954	1,450	504	57.6	1,052
1960 2/	1,169	1,684	1,987	3,832	5,819					

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, Oct. 1. 2/ Preliminary.

3/ Stocks held in Puerto Rico unavailable before 1936, which prevents extending series back to 1925.

SEASONALITY IN PRODUCTION AND TAXABLE REMOVALS OF
MANUFACTURED TOBACCO PRODUCTS

By S. M. Sackrin

A publication issued previously contains factors for seasonal adjustment of data relating to production of manufactured tobacco products and taxable removals of cigarettes. 1/ These factors were developed from monthly data for the period 1949-58 by use of an electronic computer program--basically a highly refined mechanical version of the familiar ratio-to-moving average method.

As monthly data were used, the factors not only adjust for inherent seasonality, but also adjust for varying number of days between months--in effect regarding this as part of seasonality. The difference in number of days is most pronounced, of course, in the case of February. Thus use of factors developed from monthly data show what production (or any other statistic) would have been if (1) there were no seasonal changes, and (2) if the length of the months were equal to the average of all months.

However, in making seasonal adjustments, particularly in the case of processed commodities, it is an additional refinement to consider differences in number of working days. Obviously, apart from irregular factors the differences in output between adjacent months may not only be due to regularly recurrent environmental reasons--either natural or institutional--but also to the differences in the number of days in which plants were operating. The method usually used to allow for this is to work with data on a "daily average" basis; the monthly data are divided by the number of working days, which in the case of a 5-day week would omit the Saturdays and Sundays. A further refinement may be made by providing for special situations, such as holidays that are regularly recurrent but which may fall on a Saturday and thus would not entail an extra plant closedown. From evidence in a journal article, it would appear, however, that the second refinement produces results little different than the first. 2/

Table 1 shows seasonal adjustment factors for production and taxable removals of cigarettes, cigars (includes cigarillos but not cigarette-size cigars, produced in domestic factories), smoking tobacco, scrap chewing, plug and other chewing, and snuff. The factors were developed by the Bureau of Census electronic computer method, and are based on averages per "working day" for the period 1949-59, except in the case of cigarettes, where the period 1948-59 was used. The count of working days was obtained by omitting Saturdays and Sundays, as a 5-day week predominates in the tobacco manufacturing industry.

1/ Seasonal Adjustment of Data Relating to Manufactured Tobacco Products and Leaf Exports, by S. M. Sackrin, AMS-276, September 1958, 11 pp. (processed).

2/ Eisenpress, Harry-"Regression Techniques Applied to Seasonal Corrections and Adjustments for Calendar Shifts", Journal of the American Statistical Association, December 1956, pp. 615-620.

Table 1.--Seasonal adjustment factors for production and taxable removals of manufactured tobacco products ^{1/}

Month	Production	Taxable removals	Production	Taxable removals	Production	Taxable removals
	Pct. of annual av.	Pct. of annual av.	Pct. of annual av.	Pct. of annual av.	Pct. of annual av.	Pct. of annual av.
	Cigarettes		Cigars ^{2/}		Smoking tobacco	
January	99	99	97	89	93	92
February	98	97	107	94	96	96
March	99	99	102	94	102	102
April	97	97	97	96	103	104
May	103	104	99	105	104	104
June	108	108	103	104	103	102
July	93	94	80	91	83	83
August	111	112	105	106	108	108
September	104	103	107	106	114	112
October	107	107	114	110	120	119
November	99	98	109	122	97	100
December	82	82	80	83	77	78
	Scrap chewing		Plug and other chewing		Snuff	
January	99	99	102	102	104	104
February	100	97	103	98	106	104
March	98	98	100	97	105	104
April	101	99	96	98	102	103
May	101	100	102	102	99	101
June	110	110	106	105	104	105
July	91	93	93	98	69	72
August	102	109	108	108	106	105
September	107	105	103	103	103	103
October	106	102	107	103	106	104
November	98	98	100	103	100	99
December	87	90	80	83	96	96

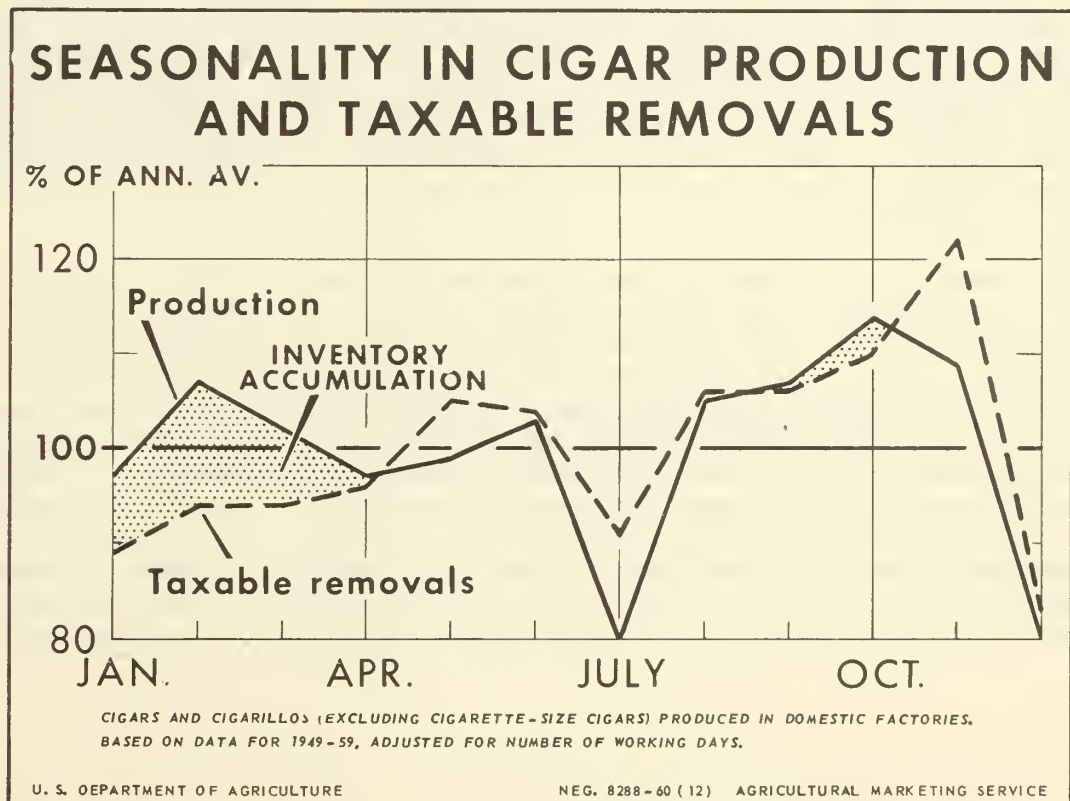
^{1/} Based on daily averages (excluding Saturdays and Sundays) for 1949-59; for cigarettes, 1948-59.

^{2/} Produced in domestic factories. Includes cigarillos but not cigarette-size cigars.

In general, the effect of using daily averages rather than monthly totals is to raise the indexes for months with less than 31 days, and to lower those for the 31-day months. Even with these changes the seasonal factors shown in the table generally are similar to those previously published for all months, except for February. This is understandable, as the greatest variation exists in the position of this month relative to surrounding months, depending on whether the data are expressed as monthly totals or as averages per "working day".

Except for February, the indexes based on daily averages seldom differ more than 2-3 percent from those based on monthly totals and in many cases the difference is within 1 percent; for February the difference is mostly 8 percent. Whereas the seasonals based on monthly totals almost invariably show the February index to be lower than either January or March, the indexes based on daily averages generally show February to be as active, if not more so, than either January or March. Either on a monthly total or daily average basis, July and December usually have the lowest indexes of any month; on either basis, too, indexes for June and August are higher than the average for the year, probably in compensation for July.

For cigarettes, smoking tobacco and snuff, the seasonal indexes of production and taxable removals are generally similar. In the case of scrap chewing and plug and other chewing, there are some differences in the seasonal pattern in production and taxable removals of each. But the greatest divergence in seasonality exists in production and taxable removals of cigars. This is illustrated in the chart.



Based on these indexes, which allow for the difference in number of days in each month, the most active period in production and taxable removals for cigarettes are the months May-October, excluding July. For cigars, (produced in domestic factories), peak production and removal months are October and November, preceding the Christmas season, although May and June are also heavy removal months. There are two periods of inventory accumulation, when cigar production mostly exceeds taxable removals: January-April (especially January-March) and September-October. During other months of the year, removals generally exceed production.

In the case of smoking tobacco, peak production months are August, September and October, which coincide with months of heaviest removals. For scrap chewing, heaviest production months are June, September and October, whereas heaviest removal months are June, August and September. Peak production months for plug and other chewing are June, August and October; heaviest removals are made in June and August. If July is excluded, there is less variation in production and removals of snuff than in the case of the other products, so that peak months are not as clearly defined.

Application of the Seasonal Indexes

It is important to keep in mind that these indexes measure seasonal influences only, and do not reflect the monthly variation due to differing number of days. Thus the seasonals are best used to adjust production and taxable removal data when it is desired to determine month-month changes after allowing both for seasonality and length of the month. They may not be used directly for forecasting monthly output or removals from a known month's level by considering the percentage change in the respective seasonal indexes. Use of the seasonal indexes for such a purpose would necessitate applying the percentage change in the indexes to the "working day" average of the known month and then multiplying the result by the number of working days in the month to be estimated.

For example, if January cigarette production were 35.0 billion and number of "working days" (as defined above) were 22, the "daily average" would be 1.591 billion. The February index of 98 is 99.0 percent of the January index. Thus 1.591 multiplied by 0.99 would give 1.575 billion--the February daily rate based on normal seasonal factors. If February had 20 "working days", then 1.575 multiplied by 20 would give 31.5 billion--the expected February output based on normal seasonality and number of working days in that month. This projected level of output is 10 percent below the January output. Had the February index shown in table 1 been applied without subsequent correction for number of days, the expected change in production would have been only 1 percent. The rest of the estimated reduction in the illustration is attributable, of course, to the 9 percent fewer working days in

February.3/ It should be emphasized that irregular factors--such as extra shifts, overtime, unanticipated plant shutdowns, and installation of additional and more efficient machinery--make it extremely difficult to predict accurately the precise level of a given month's output or taxable removals.

Another consideration to be borne in mind pertains to the seasonal indexes for taxable removals. Although taxable removals are generally accepted as the best indicator of consumption, their use for such purpose is not valid for periods as short as a single month. Actual monthly consumption, while probably exhibiting variation, undoubtedly is more uniform than implied by the swings in the seasonal indexes of removals. Taxable removals measure the flow from the manufacturers' level into wholesale and retail trade channels. To the extent that there are no unusual changes in trade inventories, taxable removals are indicative of actual consumption. But judging from the seasonal indexes, there are months when trade inventories change considerably, as, for example, the build-up in June and August, preceding and following the "vacation month" of July, and the build-up in the fall preceding the Christmas season. Thus some "smoothing" (averaging of months with extreme values) is necessary before the seasonal pattern in taxable removals may be taken as indicative of the seasonal consumption pattern.

3/ Use of the indexes previously published in AMS-276 can be made directly for such estimating purposes, as those indexes adjust both for seasonality and varying duration of the month. For example, in the above illustration, direct use of the percentage change between the previously published indexes would have resulted in an estimated February output of 31.8 which corresponds closely to the 31.5 shown above.

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: The next issue of The Tobacco Situation :
: is scheduled for release March 31, A.M. :
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STATISTICAL SUMMARY

Item	Unit or base period	1959		1960			Last data as percentage of a year earlier
		Oct.	Nov.	Sept.	Oct.	Nov.	
Average price at auctions							
Flue-cured	Ct. per lb.	55.3	52.0	61.3	60.9	57.0	110
Burley	Ct. per lb.	Closed	63.3	C - 1 - o - s - e - d			---
Maryland	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Parity prices 1/							
Flue-cured	Ct. per lb.	61.3	61.5	63.2	63.0	63.0	102
Burley	Ct. per lb.	63.3	63.6	65.6	65.3	65.3	103
Maryland	Ct. per lb.	56.2	56.4	57.8	57.6	57.6	102
Virginia fire-cured	Ct. per lb.	41.7	41.9	42.6	42.5	42.5	101
Ky.-Tenn. fire-cured	Ct. per lb.	41.4	41.6	42.9	42.8	42.8	103
Ky.-Tenn. dark air-cured	Ct. per lb.	36.7	36.8	37.8	37.7	37.7	102
Virginia sun-cured	Ct. per lb.	37.9	38.0	38.4	38.3	38.3	101
Pa. cigar filler	Ct. per lb.	28.8	28.9	29.7	29.6	29.6	102
Conn. Valley cigar binder	Ct. per lb.	43.8	44.0	45.0	44.8	44.8	102
Wis. binder and Ohio filler	Ct. per lb.	31.7	31.8	32.8	32.7	32.7	103
Puerto Rican filler	Ct. per lb.	33.0	33.3	33.1	33.0	33.0	99
Parity index 2/	1910-14=100	296	296	298	297	297	100
Industrial production index 3/	1947-49=100	155	156	162	162	159	102
Employment	Mil.	66.8	65.6	67.8	67.5	67.2	102
Personal income 4/	Bil. dol.	384	389	409	410	410	105
		1959		1960			
		Sept.	Oct.	Aug.	Sept.	Oct.	
Taxable removals							
Cigarettes	Bil.	39.2	43.1	44.6	40.9	39.8	92
Cigars and cigarillos	Mil.	552.7	566.4	624.0	581.5	577.0	102
Smoking tobacco	Mil. lb.	6.3	6.6	6.5	6.5	6.4	97
Chewing tobacco	Mil. lb.	5.6	5.7	6.0	5.2	5.4	95
Snuff	Mil. lb.	2.9	2.9	3.3	2.8	2.7	93
Accumulated from Jan. 1							
Cigarettes	Bil.	340.1	383.2	315.3	356.2	396.0	103
Cigars and cigarillos	Mil.	4,797.8	5,364.2	4,315.9	4,897.4	5,474.5	102
Smoking tobacco	Mil. lb.	54.1	60.7	47.5	54.0	60.4	100
Chewing tobacco	Mil. lb.	50.2	55.9	43.0	48.2	53.6	96
Snuff	Mil. lb.	24.8	27.7	23.4	26.2	28.9	104
Tax-exempt removals							
Cigarettes	Bil.	3.5	2.4	3.0	3.2	3.5	146
Exports	Bil.	2.3	1.0	1.4	1.7	1.9	190
Cigars and cigarillos	Mil.	9.9	7.9	10.5	8.3	8.1	103
Smoking tobacco	Mil. lb.	.2	.2	.2	.2	.2	100
Chewing tobacco	Mil. lb.	.1	.1	*	.1	.1	100
Accumulated from Jan. 1							
Cigarettes	Bil.	27.5	29.9	24.1	27.3	30.8	103
Exports	Bil.	15.3	16.3	12.6	14.3	16.3	100
Cigars and cigarillos	Mil.	79.5	87.3	69.7	78.0	86.1	99
Smoking tobacco	Mil. lb.	1.5	1.6	1.5	1.7	1.9	119
Chewing tobacco	Mil. lb.	.9	1.0	.6	.6	.7	70
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1947-49=100	134.8			134.8		100
Cigarettes, filter tip	Jan. 1959=100	100.0			100.0		100
Cigars	1947-49=100	106.6			106.5		100
Smoking tobacco	1947-49=100	162.9			167.7		103
Plug chewing tobacco	1947-49=100	142.4			142.4		100
Snuff	1947-49=100	148.5			148.5		100
Consumer price indexes (urban) 6/							
Cigarettes, reg. nonfilter	1947-49=100	144.4			145.1		100
Cigarettes, filter tip	Mar. 1959=100	106.7			107.1		100
Cigars	1947-49=100	114.6			115.5		101
Imports of tobacco							
Cigarette leaf	Mil. lb.	8.6	11.3	11.6	10.5	11.2	99
Cigar tobacco 7/	Mil. lb.	3.6	3.2	3.6	3.1	3.7	116
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	83.4	94.7	78.5	89.0	100.2	106
Cigar tobacco 7/	Mil. lb.	35.0	38.2	33.3	36.4	40.1	105

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1959		1960		Last data as percentage of a year earlier	
		Sept.	Oct.	Aug.	Sept.	Oct.	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	93.2	51.3	36.0	87.0	84.2	164
Burley	Mil. lb.	3.0	1.2	2.7	3.3	2.7	225
Maryland	Mil. lb.	2.8	.8	1.2	1.3	1.3	162
Virginia fire- & sun-cured	Mil. lb.	.4	*	.9	.5	.7	---
Ky.-Tenn. fire-cured	Mil. lb.	2.8	2.0	1.4	.9	2.0	100
Ky.-Tenn. dark air-cured	Mil. lb.	.2	.1	*	*	.1	100
Black Fat	Mil. lb.	.6	.3	.2	.3	.3	100
Cigar wrapper	Mil. lb.	.4	.1	.4	.3	.2	200
Connecticut binder	Mil. lb.	.2	.1	.3	*	.1	100
Wisconsin binder	Mil. lb.	.4	*	.2	.1	.3	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	148.1	199.4	53.2	140.2	224.4	113
Burley	Mil. lb.	34.8		33.0	36.3		104
Maryland	Mil. lb.	15.3		10.8	11.9		78
Virginia fire- & sun-cured	Mil. lb.	5.4		4.9	5.4		100
Ky.-Tenn. fire-cured	Mil. lb.	18.5		16.8	17.6		95
Ky.-Tenn. dark air-cured	Mil. lb.	3.5		1.8	1.8		51
Black Fat	Mil. lb.	5.0		4.3	4.7		94
Cigar wrapper	Mil. lb.	1.2	1.3	.6	.9	1.1	85
Connecticut binder	Mil. lb.	.8		.9	.9		112
Wisconsin binder	Mil. lb.	2.7		1.1	1.2		44
Exports of manufactured tobacco							
in bulk	Mil. lb.	1.9	.2	.7	.7	.5	250
Accumulated from Jan. 1	Mil. lb.	7.3	7.5	5.0	5.7	6.2	83
Q u a r t e r l y d a t a							
		1959		1960			
		July-Sept.	Oct.-Dec.	July-Sept.	Oct.-Dec.		
Tobacco stocks--1st of quarter 9/:							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,210	2,556	2,106	2,469		97
Burley	Mil. lb.	1,353	1,224	1,340	1,191		97
Maryland	Mil. lb.	77	72	72	71		99
Fire-cured	Mil. lb.	135	122	135	123		101
Dark air- and sun-cured	Mil. lb.	75	69	72	66		96
Cigar filler	Mil. lb.	195	164	197	172		105
Cigar binder	Mil. lb.	89	81	87	80		99
Cigar wrapper	Mil. lb.	20	25	23	29		116
Under Government loan 10/	Mil. lb.	1,004	901	738	707		78
Tobacco sheet 11/							
Cigarette types	Mil. lb.	1.1	2.1	4.8	4.2		200
Cigar types	Mil. lb.	2.2	1.7	1.7	1.7		100
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	236	209	241	210		100
Cigar	Mil. lb.	43	44	61	63		143
Tobacco outlets 12/							
Seasonally adjusted data,							
annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	508	504	503	514		102
Taxable removals	Bil.	468	470	470	480		102
Cigar production	Bil.	7.24	6.87	7.14	7.01		102
Smoking production	Mil. lb.	73.7	71.0	71.4	71.8		101
Chewing production							
Scrap	Mil. lb.	32.8	35.0	31.4	33.4		95
Plug and other	Mil. lb.	34.6	36.5	31.8	32.9		90
Snuff production	Mil. lb.	34.9	35.3	33.4	34.7		98
Exports of leaf (farm-sales:							
Total weight)	Mil. lb.	538	527	494	624		118
Flue-cured	Mil. lb.	435	421	413	514		122

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others.

9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives.

11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.

*Less than 50,000 pounds.

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